



3013 (02-09-04)

ANNUAL REPORT

OF

Name: KENOSHA WATER UTILITY

Principal Office: 4401 GREEN BAY ROAD
KENOSHA, WI 53144

For the Year Ended: DECEMBER 31, 1999

**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

I, O. FRED NELSON of
(Person responsible for accounts)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

GENERAL MANAGER

(Title)

TABLE OF CONTENTS

| Schedule Name | Page |
|--------------------------------------------------------------------------------------|-------------|
| General Rules for Reporting | i |
| Signature Page | ii |
| Table of Contents | iii |
| Identification and Ownership | iv |
| FINANCIAL SECTION | |
| Income Statement | F-01 |
| Income Statement Account Details | F-02 |
| Income from Merchandising, Jobbing & Contract Work (Accts. 415-416) | F-03 |
| Revenues Subject to Wisconsin Remainder Assessment | F-04 |
| Distribution of Total Payroll | F-05 |
| Balance Sheet | F-06 |
| Net Utility Plant | F-07 |
| Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 111) | F-08 |
| Net Nonutility Property (Accts. 121 & 122) | F-09 |
| Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144) | F-10 |
| Materials and Supplies | F-11 |
| Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251) | F-12 |
| Capital Paid in by Municipality (Acct. 200) | F-13 |
| Bonds (Accts. 221 and 222) | F-14 |
| Notes Payable & Miscellaneous Long-Term Debt | F-15 |
| Taxes Accrued (Acct. 236) | F-16 |
| Interest Accrued (Acct. 237) | F-17 |
| Contributions in Aid of Construction (Account 271) | F-18 |
| Balance Sheet End-of-Year Account Balances | F-19 |
| Return on Rate Base Computation | F-20 |
| Return on Proprietary Capital Computation | F-21 |
| Important Changes During the Year | F-22 |
| Financial Section Footnotes | F-23 |
| WATER OPERATING SECTION | |
| Water Operating Revenues & Expenses | W-01 |
| Water Operating Revenues - Sales of Water | W-02 |
| Sales for Resale (Acct. 466) | W-03 |
| Other Operating Revenues (Water) | W-04 |
| Water Operation & Maintenance Expenses | W-05 |
| Taxes (Acct. 408 - Water) | W-06 |
| Property Tax Equivalent (Water) | W-07 |
| Water Utility Plant in Service | W-08 |
| Accumulated Provision for Depreciation - Water | W-10 |
| Source of Supply, Pumping and Purchased Water Statistics | W-12 |
| Sources of Water Supply - Ground Waters | W-13 |
| Sources of Water Supply - Surface Waters | W-14 |
| Pumping & Power Equipment | W-15 |
| Reservoirs, Standpipes & Water Treatment | W-16 |
| Water Mains | W-17 |
| Water Services | W-18 |
| Meters | W-19 |
| Hydrants and Distribution System Valves | W-20 |
| Water Operating Section Footnotes | W-21 |

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: KENOSHA WATER UTILITY

Utility Address: 4401 GREEN BAY ROAD
KENOSHA, WI 53144

When was utility organized? 1/1/1894

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: CATHY BRNAK

Title: SUPERVISOR OF OPERATIONS - FINANCE

Office Address:

4401 GREEN BAY ROAD
KENOSHA, WI 53144

Telephone: (262) 653 - 4312

Fax Number: (262) 653 - 4320

E-mail Address: wcathyb@kenosha.org

Individual or firm, if other than utility employee, preparing this report:

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

President, chairman, or head of utility commission/board or committee:

Name: MR EVERETT C. BUTLER

Title: CHAIRMAN, BOARD OF WATER COMMISSIONERS

Office Address:

4401 GREEN BAY ROAD
KENOSHA, WI 54401

Telephone: (262) 653 - 4300

Fax Number:

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name: VIRCHOW, KRAUSE & COMPANY, LLP**Title:****Office Address:** VIRCHOW, KRAUSE & COMPANY, LLP

4600 AMERICAN PARKWAY

P.O. BOX 7398

MADISON, WI 53707-7398

Telephone: (608) 249 - 8532**Fax Number:** (608) 249 - 6622**E-mail Address:****Date of most recent audit report:** 3/24/2000**Period covered by most recent audit:** 1/1/1999 - 12/31/1999

Names and titles of utility management including manager or superintendent:

Name: O. FRED NELSON**Title:** GENERAL MANAGER**Office Address:**

4401 GREEN BAY ROAD

KENOSHA, WI 53144

Telephone: (262) 653 - 4308**Fax Number:** (262) 653 - 4303**E-mail Address:**

Name of utility commission/committee: Board of Water Commissioners

Names of members of utility commission/committee:

MR CHARLES W. BRADLEY

MR EVERETT C. BUTLER, CHAIRMAN

MR STEPHEN P. CASEY

MR DONALD K. HOLLAND

MR JACK F. RUFFALO

MR JOHN M. WAMBOLDT

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** NO**Date of Ordinance:****Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

| Particulars (a) | This Year (b) | Last Year (c) | |
|----------------------------------------------------------------|--------------------------|--------------------------|-----------|
| UTILITY OPERATING INCOME | | | |
| Operating Revenues (400) | 9,668,090 | 7,420,117 | 1 |
| Operating Expenses: | | | |
| Operation and Maintenance Expense (401-402) | 3,289,958 | 3,372,133 | 2 |
| Depreciation Expense (403) | 1,505,994 | 1,181,846 | 3 |
| Amortization Expense (404-407) | 0 | 0 | 4 |
| Taxes (408) | 1,371,620 | 918,867 | 5 |
| Total Operating Expenses | 6,167,572 | 5,472,846 | |
| Net Operating Income | 3,500,518 | 1,947,271 | |
| Income from Utility Plant Leased to Others (412-413) | 0 | 0 | 6 |
| Utility Operating Income | 3,500,518 | 1,947,271 | |
| OTHER INCOME | | | |
| Income from Merchandising, Jobbing and Contract Work (415-416) | 0 | 0 | 7 |
| Income from Nonutility Operations (417) | 0 | 0 | 8 |
| Nonoperating Rental Income (418) | 1,684 | 1,678 | 9 |
| Interest and Dividend Income (419) | 640,616 | 1,074,851 | 10 |
| Miscellaneous Nonoperating Income (421) | 0 | 3,548 | 11 |
| Total Other Income | 642,300 | 1,080,077 | |
| Total Income | 4,142,818 | 3,027,348 | |
| MISCELLANEOUS INCOME DEDUCTIONS | | | |
| Miscellaneous Amortization (425) | 0 | 0 | 12 |
| Other Income Deductions (426) | 0 | 0 | 13 |
| Total Miscellaneous Income Deductions | 0 | 0 | |
| Income Before Interest Charges | 4,142,818 | 3,027,348 | |
| INTEREST CHARGES | | | |
| Interest on Long-Term Debt (427) | 1,658,076 | 1,674,039 | 14 |
| Amortization of Debt Discount and Expense (428) | 201,636 | 154,476 | 15 |
| Amortization of Premium on Debt--Cr. (429) | | | 16 |
| Interest on Debt to Municipality (430) | 7,442 | 0 | 17 |
| Other Interest Expense (431) | 0 | 0 | 18 |
| Interest Charged to Construction--Cr. (432) | 7,097 | 899,516 | 19 |
| Total Interest Charges | 1,860,057 | 928,999 | |
| Net Income | 2,282,761 | 2,098,349 | |
| EARNED SURPLUS | | | |
| Unappropriated Earned Surplus (Beginning of Year) (216) | 25,737,059 | 23,638,710 | 20 |
| Balance Transferred from Income (433) | 2,282,761 | 2,098,349 | 21 |
| Miscellaneous Credits to Surplus (434) | 0 | 0 | 22 |
| Miscellaneous Debits to Surplus--Debit (435) | 0 | 0 | 23 |
| Appropriations of Surplus--Debit (436) | 0 | 0 | 24 |
| Appropriations of Income to Municipal Funds--Debit (439) | 11,225 | 0 | 25 |
| Total Unappropriated Earned Surplus End of Year (216) | 28,008,595 | 25,737,059 | |

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

| Description of Item (a) | Amount (b) | |
|------------------------------------------------------------|----------------|----|
| Revenues from Utility Plant Leased to Others (412): | | |
| NONE | | 1 |
| Total (Acct. 412): | 0 | |
| Expenses of Utility Plant Leased to Others (413): | | |
| NONE | | 2 |
| Total (Acct. 413): | 0 | |
| Income from Nonutility Operations (417): | | |
| NONE | | 3 |
| Total (Acct. 417): | 0 | |
| Nonoperating Rental Income (418): | | |
| RENTAL OF GROUP HOME | 1,684 | 4 |
| Total (Acct. 418): | 1,684 | |
| Interest and Dividend Income (419): | | |
| MAINS & CONNECTIONS | 10,284 | 5 |
| SPECIAL REDEMPTION | 127,923 | 6 |
| DEPRECIATION | 40,011 | 7 |
| REVEWAL & REPLACEMENT | 170,425 | 8 |
| TAX FUND | 44,012 | 9 |
| INVESTMENT | 247,876 | 10 |
| OTHER INTEREST | 85 | 11 |
| Total (Acct. 419): | 640,616 | |
| Miscellaneous Nonoperating Income (421): | | |
| NONE | | 12 |
| Total (Acct. 421): | 0 | |
| Miscellaneous Amortization (425): | | |
| NONE | | 13 |
| Total (Acct. 425): | 0 | |
| Other Income Deductions (426): | | |
| NONE | | 14 |
| Total (Acct. 426): | 0 | |
| Miscellaneous Credits to Surplus (434): | | |
| NONE | | 15 |
| Total (Acct. 434): | 0 | |
| Miscellaneous Debits to Surplus (435): | | |
| NONE | | 16 |
| Total (Acct. 435)--Debit: | 0 | |
| Appropriations of Surplus (436): | | |
| Detail appropriations to (from) account 215 | | 17 |
| Total (Acct. 436)--Debit: | 0 | |

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

| Description of Item (a) | Amount (b) | |
|-----------------------------------------------------------|---------------|-----------|
| Appropriations of Income to Municipal Funds (439): | | |
| LANDSCAPING OF HARBOR DOCK SITE | 4,984 | 18 |
| WEST PLANT REPAIRS AFTER TSF OWNERSHIP | 6,241 | 19 |
| Total (Acct. 439)--Debit: | 11,225 | |

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

| Particulars (a) | Water (b) | Electric (c) | Sewer (d) | Gas (e) | Total (f) | |
|------------------------------------------------------------------------------|----------------------|-------------------------|----------------------|--------------------|----------------------|----------|
| Revenues (account 415) | | | | | 0 | 1 |
| Costs and Expenses of Merchandising, Jobbing and Contract Work (416): | | | | | | |
| Cost of merchandise sold | | | | | 0 | 2 |
| Payroll | | | | | 0 | 3 |
| Materials | | | | | 0 | 4 |
| Taxes | | | | | 0 | 5 |
| Other (list by major classes): | | | | | | |
| NONE | | | | | 0 | 6 |
| Total costs and expenses | 0 | 0 | 0 | 0 | 0 | |
| Net income (or loss) | 0 | 0 | 0 | 0 | 0 | |

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

| Description (a) | Water Utility (b) | Electric Utility (c) | Sewer Utility (Regulated Only) (d) | Gas Utility (e) | Total (f) | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------|-------------------------------------------------------|--------------------------------|----------------------|----------|
| Total operating revenues | 9,668,090 | 0 | 0 | 0 | 9,668,090 | 1 |
| Less: interdepartmental sales | 0 | | 0 | 0 | 0 | 2 |
| Less: interdepartmental rents | 0 | 0 | | 0 | 0 | 3 |
| Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.) | 0 | | | | 0 | 4 |
| Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained | | | | | 0 | 5 |
| Other Increases or (Decreases) to Operating Revenues - Specify: | | | | | | |
| NONE | | | | | 0 | 6 |
| Revenues subject to Wisconsin Remainder Assessment | 9,668,090 | 0 | 0 | 0 | 9,668,090 | |

DISTRIBUTION OF TOTAL PAYROLL

1. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
2. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
3. Provide additional information in the schedule footnotes when necessary.

| Accounts Charged (a) | Direct Payroll Distribution (b) | Allocation of Amounts Charged Clearing Accts. (c) | Total (d) | |
|-------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------|----------------------|-----------|
| Water operating expenses | 1,784,117 | (476,360) | 1,307,757 | 1 |
| Electric operating expenses | | | 0 | 2 |
| Gas operating expenses | | | 0 | 3 |
| Heating operating expenses | | | 0 | 4 |
| Sewer operating expenses | | 281,172 | 281,172 | 5 |
| Merchandising and jobbing | | | 0 | 6 |
| Other nonutility expenses | | 25,863 | 25,863 | 7 |
| Water utility plant accounts | | 151,705 | 151,705 | 8 |
| Electric utility plant accounts | | | 0 | 9 |
| Gas utility plant accounts | | | 0 | 10 |
| Heating utility plant accounts | | | 0 | 11 |
| Sewer utility plant accounts | | | 0 | 12 |
| Accum. prov. for depreciation of water plant | | | 0 | 13 |
| Accum. prov. for depreciation of electric plant | | | 0 | 14 |
| Accum. prov. for depreciation of gas plant | | | 0 | 15 |
| Accum. prov. for depreciation of heating plant | | | 0 | 16 |
| Accum. prov. for depreciation of sewer plant | | | 0 | 17 |
| Clearing accounts | | | 0 | 18 |
| All other accounts | | 17,620 | 17,620 | 19 |
| Total Payroll | 1,784,117 | 0 | 1,784,117 | |

BALANCE SHEET

| Assets and Other Debits (a) | Balance End of Year (b) | Balance First of Year (c) | |
|--------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------|----|
| UTILITY PLANT | | | |
| Utility Plant (101-107) | 75,259,112 | 73,599,562 | 1 |
| Less: Accumulated Provision for Depreciation and Amortization (111-116) | 10,836,394 | 10,857,904 | 2 |
| Net Utility Plant | 64,422,718 | 62,741,658 | |
| Utility Plant Acquisition Adjustments (117-118) | | | 3 |
| Other Utility Plant Adjustments (119) | | | 4 |
| Total Net Utility Plant | 64,422,718 | 62,741,658 | |
| OTHER PROPERTY AND INVESTMENTS | | | |
| Nonutility Property (121) | 5,960 | 5,710 | 5 |
| Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122) | 0 | 0 | 6 |
| Net Nonutility Property | 5,960 | 5,710 | |
| Investment in Municipality (123) | 0 | 0 | 7 |
| Other Investments (124) | 0 | 0 | 8 |
| Special Funds (125-128) | 0 | 0 | 9 |
| Total Other Property and Investments | 5,960 | 5,710 | |
| CURRENT AND ACCRUED ASSETS | | | |
| Cash and Working Funds (131) | 621,714 | 777,512 | 10 |
| Special Deposits (132-134) | 0 | 0 | 11 |
| Working Funds (135) | 500 | 500 | 12 |
| Temporary Cash Investments (136) | 10,900,000 | 12,530,000 | 13 |
| Notes Receivable (141) | 0 | 0 | 14 |
| Customer Accounts Receivable (142) | 1,063,822 | 753,121 | 15 |
| Other Accounts Receivable (143) | 164,168 | 154,545 | 16 |
| Accumulated Provision for Uncollectible Accounts- -Cr. (144) | 0 | 0 | 17 |
| Receivables from Municipality (145) | 185,421 | 150,908 | 18 |
| Materials and Supplies (151-163) | 378,992 | 476,709 | 19 |
| Prepayments (165) | 100,960 | 27,359 | 20 |
| Interest and Dividends Receivable (171) | 131,136 | 89,807 | 21 |
| Accrued Utility Revenues (173) | 1,109,416 | 853,573 | 22 |
| Miscellaneous Current and Accrued Assets (174) | 6,600 | 5,250 | 23 |
| Total Current and Accrued Assets | 14,662,729 | 15,819,284 | |
| DEFERRED DEBITS | | | |
| Unamortized Debt Discount and Expense (181) | 993,615 | 1,195,252 | 24 |
| Other Deferred Debits (182-186) | 535,468 | 0 | 25 |
| Total Deferred Debits | 1,529,083 | 1,195,252 | |
| Total Assets and Other Debits | 80,620,490 | 79,761,904 | |

BALANCE SHEET

| Liabilities and Other Credits (a) | Balance End of Year (b) | Balance First of Year (c) | |
|-----------------------------------------------------|----------------------------------------|------------------------------------------|-----------|
| PROPRIETARY CAPITAL | | | |
| Capital Paid in by Municipality (200) | 1,211,913 | 1,208,629 | 26 |
| Appropriated Earned Surplus (215) | | 0 | 27 |
| Unappropriated Earned Surplus (216) | 28,008,595 | 25,737,059 | 28 |
| Total Proprietary Capital | 29,220,508 | 26,945,688 | |
| LONG-TERM DEBT | | | |
| Bonds (221-222) | 32,715,000 | 33,765,000 | 29 |
| Advances from Municipality (223) | 535,468 | 0 | 30 |
| Other Long-Term Debt (224) | 0 | 0 | 31 |
| Total Long-Term Debt | 33,250,468 | 33,765,000 | |
| CURRENT AND ACCRUED LIABILITIES | | | |
| Notes Payable (231) | 0 | 0 | 32 |
| Accounts Payable (232) | 467,866 | 1,956,891 | 33 |
| Payables to Municipality (233) | 141,819 | 36,513 | 34 |
| Customer Deposits (235) | 2,550 | 1,120 | 35 |
| Taxes Accrued (236) | 1,286,365 | 1,085,619 | 36 |
| Interest Accrued (237) | 142,007 | 138,501 | 37 |
| Matured Long-Term Debt (239) | | | 38 |
| Matured Interest (240) | | | 39 |
| Tax Collections Payable (241) | | | 40 |
| Miscellaneous Current and Accrued Liabilities (242) | | 7 | 41 |
| Total Current and Accrued Liabilities | 2,040,607 | 3,218,651 | |
| DEFERRED CREDITS | | | |
| Unamortized Premium on Debt (251) | 0 | 0 | 42 |
| Customer Advances for Construction (252) | | | 43 |
| Other Deferred Credits (253) | 178,540 | 191,186 | 44 |
| Total Deferred Credits | 178,540 | 191,186 | |
| OPERATING RESERVES | | | |
| Property Insurance Reserve (261) | | | 45 |
| Injuries and Damages Reserve (262) | | | 46 |
| Pensions and Benefits Reserve (263) | | | 47 |
| Miscellaneous Operating Reserves (265) | | | 48 |
| Total Operating Reserves | 0 | 0 | |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | | | |
| Contributions in Aid of Construction (271) | 15,930,367 | 15,641,379 | 49 |
| Total Liabilities and Other Credits | 80,620,490 | 79,761,904 | |

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

| Particulars (a) | Water (b) | Sewer (c) | Gas (d) | Electric (e) | |
|--------------------------------------------------------------------------------|----------------------|----------------------|--------------------|-------------------------|-----------|
| Plant Accounts: | | | | | |
| Utility Plant in Service (101) | 74,121,512 | 0 | 0 | 0 | 1 |
| Utility Plant Purchased or Sold (102) | | | | | 2 |
| Utility Plant in Process of Reclassification (103) | | | | | 3 |
| Utility Plant Leased to Others (104) | | | | | 4 |
| Property Held for Future Use (105) | | | | | 5 |
| Completed Construction not Classified (106) | | | | | 6 |
| Construction Work in Progress (107) | 1,137,600 | | | | 7 |
| Total Utility Plant | 75,259,112 | 0 | 0 | 0 | |
| Accumulated Provision for Depreciation and Amortization: | | | | | |
| Accumulated Provision for Depreciation of Utility Plant in Service (111) | 10,836,394 | 0 | 0 | 0 | 8 |
| Accumulated Provision for Depreciation of Utility Plant Leased to Others (112) | | | | | 9 |
| Accumulated Provision for Depreciation of Property Held for Future Use (113) | | | | | 10 |
| Accumulated Provision for Amortization of Utility Plant in Service (114) | | | | | 11 |
| Accumulated Provision for Amortization of Utility Plant Leased to Others (115) | | | | | 12 |
| Accumulated Provision for Amortization of Property Held for Future Use (116) | | | | | 13 |
| Total Accumulated Provision | 10,836,394 | 0 | 0 | 0 | |
| Net Utility Plant | 64,422,718 | 0 | 0 | 0 | |

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 111)

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

| Particulars (a) | Water (b) | (c) | (d) | (e) | Total (f) | |
|------------------------------------|-------------------|----------|----------|----------|-------------------|-----------|
| Balance first of year | 10,857,904 | | | | 10,857,904 | 1 |
| Credits During Year | | | | | | 2 |
| Accruals: | | | | | | 3 |
| Charged depreciation expense (403) | 1,505,994 | | | | 1,505,994 | 4 |
| Depreciation expense on meters | | | | | | 5 |
| charged to sewer (see Note 3) | 71,879 | | | | 71,879 | 6 |
| Accruals charged other | | | | | | 7 |
| accounts (specify): | | | | | | 8 |
| Functional expense accounts | 94,596 | | | | 94,596 | 9 |
| Salvage | 83,780 | | | | 83,780 | 10 |
| Other credits (specify): | | | | | | 11 |
| Transfers to/from other funds | 4,782 | | | | 4,782 | 12 |
| Total credits | 1,761,031 | 0 | 0 | 0 | 1,761,031 | 13 |
| Debits during year | | | | | | 14 |
| Book cost of plant retired | 1,259,806 | | | | 1,259,806 | 15 |
| Cost of removal | 498,606 | | | | 498,606 | 16 |
| Other debits (specify): | | | | | | 17 |
| gain/loss on sale of equipment | 24,129 | | | | 24,129 | 18 |
| Total debits | 1,782,541 | 0 | 0 | 0 | 1,782,541 | 19 |
| Balance End of Year | 10,836,394 | 0 | 0 | 0 | 10,836,394 | 20 |
| | | | | | | 21 |
| | | | | | | 22 |

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

| Description (a) | Balance First of Year (b) | Additions During Year (c) | Deductions During Year (d) | Balance End of Year (e) | |
|----------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------|----------------------------------------|---|
| Nonregulated sewer plant | 0 | | | 0 | 1 |
| Other (specify): | | | | | |
| Lighthouse & Dwelling | 5,710 | 250 | | 5,960 | 2 |
| Old West Filter Plant | 0 | | | 0 | 3 |
| Total Nonutility Property (121) | 5,710 | 250 | 0 | 5,960 | |
| Less accum. prov. depr. & amort. (122) | 0 | | | 0 | 4 |
| Net Nonutility Property | 5,710 | 250 | 0 | 5,960 | |

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

| Particulars (a) | Amount (b) | |
|------------------------------------------------------------------|-----------------------|---|
| Balance first of year | 0 | 1 |
| Additions: | | |
| Provision for uncollectibles during year | | 2 |
| Collection of accounts previously written off: Utility Customers | | 3 |
| Collection of accounts previously written off: Others | | 4 |
| Total Additions | <u>0</u> | |
| Deductions: | | |
| Accounts written off during the year: Utility Customers | | 5 |
| Accounts written off during the year: Others | | 6 |
| Total accounts written off | <u>0</u> | |
| Balance end of year | <u><u>0</u></u> | |

MATERIALS AND SUPPLIES

| Account (a) | Generation (b) | Transmission (c) | Distribution (d) | Other (e) | Total End of Year (f) | Amount Prior Year (g) | |
|-------------------------------|---------------------------|-----------------------------|-----------------------------|----------------------|--------------------------------------|--------------------------------------|---|
| Electric Utility | | | | | | | |
| Fuel (151) | | | | | 0 | 0 | 1 |
| Fuel stock expenses (152) | | | | | 0 | 0 | 2 |
| Plant mat. & oper. sup. (154) | | | | | 0 | 0 | 3 |
| Total Electric Utility | | | | | <u>0</u> | <u>0</u> | |

| Account | Total End of Year | Amount Prior Year | |
|-------------------------------------|------------------------------|------------------------------|---|
| Electric utility total | 0 | 0 | 1 |
| Water utility (154) | 378,992 | 476,709 | 2 |
| Sewer utility (154) | | 0 | 3 |
| Heating utility (154) | | 0 | 4 |
| Gas utility (154) | | 0 | 5 |
| Merchandise (155) | | 0 | 6 |
| Other materials & supplies (156) | | 0 | 7 |
| Stores expense (163) | | 0 | 8 |
| Total Materials and Supplies | <u><u>378,992</u></u> | <u><u>476,709</u></u> | |

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

| Debt Issue to Which Related (a) | Written Off During Year | | Balance End of Year (d) | |
|------------------------------------------------------|-------------------------|---------------------------------------|-------------------------------|---|
| | Amount (b) | Account Charged or Credited (c) | | |
| Unamortized debt discount & expense (181) | | | | |
| 1998 Bond Refunding Notes discount expense | 40,238 | 428 | 457,121 | 1 |
| 1998 Bond Refunding Notes issuance expense | 15,408 | 428 | 175,048 | 2 |
| Amortization of Loss on Refunding | 145,991 | 428 | 361,446 | 3 |
| Total | | | 993,615 | |
| Unamortized premium on debt (251) | | | | |
| NONE | | | | 4 |
| Total | | | 0 | |

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

| Particulars (a) | Amount (b) | |
|----------------------------------------------------|-----------------------|----------|
| Balance first of year | 1,208,629 | 1 |
| Changes during year (explain): | | |
| THREE 6" WATER SERVICES DONATED IN INDUSTRIAL PARK | 3,284 | 2 |
| Balance end of year | 1,211,913 | |

BONDS (ACCTS. 221 AND 222)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

| Description of Issue (a) | Date of Issue (b) | Final Maturity Date (c) | Interest Rate (d) | Principal Amount End of Year (e) | |
|--------------------------------------|----------------------------------|--------------------------------------------|----------------------------------|-----------------------------------------------------|----------|
| 1998 Water Revenue Refunding Bonds | 05/15/1998 | 12/01/2018 | 4.82% | 32,715,000 | 1 |
| Total Bonds (Account 221): | | | | 32,715,000 | |
| Total Reacquired Bonds (Account 222) | | | | 0 | 2 |

Net amount of bonds outstanding December 31: 32,715,000

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

| Account and Description of Obligation (a and b) | Date of Issue (c) | Final Maturity Date (d) | Interest Rate (e) | Principal Amount End of Year (f) | |
|----------------------------------------------------|-------------------------|----------------------------------|-------------------------|-------------------------------------------|---|
| Advances (223) | | | | | |
| ADVANCE FROM MUNICIPALITY | 04/01/1999 | 04/01/2019 | 6.67% | 535,468 | 1 |
| Total for Account 223 | | | | 535,468 | |

TAXES ACCRUED (ACCT. 236)

| Particulars (a) | Amount (b) | |
|-----------------------------------------|-----------------------|----|
| Balance first of year | 1,085,619 | 1 |
| Accruals: | | |
| Charged water department expense | 108,305 | 2 |
| Charged electric department expense | | 3 |
| Charged sewer department expense | | 4 |
| Other (explain): | | |
| PSC REMAINDER ASSESSMENT | 9,048 | 5 |
| TAX EQUIVALENT FOR 1999 | 1,286,365 | 6 |
| Total Accruals and other credits | 1,403,718 | |
| Taxes paid during year: | | |
| County, state and local taxes | 1,085,619 | 7 |
| Social Security taxes | 108,305 | 8 |
| PSC Remainder Assessment | 9,048 | 9 |
| Other (explain): | | |
| NONE | | 10 |
| Total payments and other debits | 1,202,972 | |
| Balance end of year | 1,286,365 | |

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

| Description of Issue (a) | Interest Accrued Balance First of Year (b) | Interest Accrued During Year (c) | Interest Paid During Year (d) | Interest Accrued Balance End of Year (e) | |
|-----------------------------------------|-----------------------------------------------------|----------------------------------------|-------------------------------------|---------------------------------------------------|---|
| Bonds (221) | | | | | |
| 1991 Water Revenue Bonds | 0 | | | 0 | 1 |
| 1998 Water Revenue Refunding Bonds | 138,501 | 1,658,076 | 1,662,012 | 134,565 | 2 |
| Subtotal | 138,501 | 1,658,076 | 1,662,012 | 134,565 | |
| Advances from Municipality (223) | | | | | |
| WRS PAY OFF OF UNFUNDED OBLIGATION | 0 | 7,442 | | 7,442 | 3 |
| Subtotal | 0 | 7,442 | 0 | 7,442 | |
| Other Long-Term Debt (224) | | | | | |
| NONE | 0 | | | 0 | 4 |
| Subtotal | 0 | 0 | 0 | 0 | |
| Notes Payable (231) | | | | | |
| NONE | 0 | | | 0 | 5 |
| Subtotal | 0 | 0 | 0 | 0 | |
| Total | 138,501 | 1,665,518 | 1,662,012 | 142,007 | |

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

| Particulars (a) | Water (b) | Electric | | Sewer (e) | Gas (f) | Total (g) | |
|------------------------------------------------------------------------------------------------------------|-------------------|---------------------|--------------|--------------|------------|-------------------|----------|
| | | Distribution (c) | Other (d) | | | | |
| Balance First of Year | 15,641,379 | 0 | 0 | 0 | 0 | 15,641,379 | 1 |
| Add credits during year: | | | | | | | |
| For Services | 52,036 | | | | | 52,036 | 2 |
| For Mains | 130,250 | | | | | 130,250 | 3 |
| Other (specify): | | | | | | | |
| DONATED CONNECTIONS | 43,850 | | | | | 43,850 | 4 |
| DONATED MAIN | 62,852 | | | | | 62,852 | 5 |
| Deduct charges (specify): | | | | | | | |
| NONE | | | | | | 0 | 6 |
| Balance End of Year | 15,930,367 | 0 | 0 | 0 | 0 | 15,930,367 | |
| Amount of federal and state grants in aid received for utility construction included in End of Year totals | | | | | | 0 | 7 |

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

| Particulars (a) | Balance End of Year (b) | |
|--------------------------------------------|-------------------------------|----|
| Investment in Municipality (123): | | |
| NONE | | 1 |
| Total (Acct. 123): | 0 | |
| Other Investments (124): | | |
| NONE | | 2 |
| Total (Acct. 124): | 0 | |
| Sinking Funds (125): | | |
| NONE | | 3 |
| Total (Acct. 125): | 0 | |
| Depreciation Fund (126): | | |
| NONE | | 4 |
| Total (Acct. 126): | 0 | |
| Other Special Funds (128): | | |
| NONE | | 5 |
| Total (Acct. 128): | 0 | |
| Interest Special Deposits (132): | | |
| NONE | | 6 |
| Total (Acct. 132): | 0 | |
| Other Special Deposits (134): | | |
| NONE | | 7 |
| Total (Acct. 134): | 0 | |
| Notes Receivable (141): | | |
| NONE | | 8 |
| Total (Acct. 141): | 0 | |
| Customer Accounts Receivable (142): | | |
| Water | 1,063,822 | 9 |
| Electric | | 10 |
| Sewer (Regulated) | | 11 |
| Other (specify): | | |
| NONE | | 12 |
| Total (Acct. 142): | 1,063,822 | |
| Other Accounts Receivable (143): | | |
| Sewer (Non-regulated) | | 13 |
| Merchandising, jobbing and contract work | | 14 |
| Other (specify): | | |
| WATER MAIN ASSESSMENTS RECEIVABLE | 159,293 | 15 |

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

| Particulars (a) | Balance End of Year (b) | |
|------------------------------------------------------------|-------------------------------|----|
| Other Accounts Receivable (143): | | |
| WATER CONNECTION ASSESSMENTS RECEIVABLE | 4,875 | 16 |
| Total (Acct. 143): | 164,168 | |
| Receivables from Municipality (145): | | |
| TAXROLL COLLECTIONS | 185,421 | 17 |
| Total (Acct. 145): | 185,421 | |
| Prepayments (165): | | |
| PREPAID TELEPHONE EXPENSE | 1,809 | 18 |
| PREPAID TIP/IX LICENSE | 17,023 | 19 |
| PREPAID ELECTRICAL PARTS | 48,205 | 20 |
| MEMBRANE FILTER REPLACEMENT AGREEMENT | 33,500 | 21 |
| PREPAID EXPENSE - GROUP HOME | 423 | 22 |
| Total (Acct. 165): | 100,960 | |
| Extraordinary Property Losses (182): | | |
| NONE | | 23 |
| Total (Acct. 182): | 0 | |
| Preliminary Survey and Investigation Charges (183): | | |
| NONE | | 24 |
| Total (Acct. 183): | 0 | |
| Clearing Accounts (184): | | |
| NONE | | 25 |
| Total (Acct. 184): | 0 | |
| Temporary Facilities (185): | | |
| NONE | | 26 |
| Total (Acct. 185): | 0 | |
| Miscellaneous Deferred Debits (186): | | |
| WRS OBLIGATION | 535,468 | 27 |
| Total (Acct. 186): | 535,468 | |
| Payables to Municipality (233): | | |
| INSURANCE ADMINISTRATION CHARGES | 21,286 | 28 |
| PAYROLL PAYABLE | 24,014 | 29 |
| THREE MONTHS HEALTH INSURANCE DUE | 80,627 | 30 |
| FLEET, FUEL & STORES BILLS DUE | 11,842 | 31 |
| 1998 AUDIT FEE | 4,032 | 32 |
| OTHER | 18 | 33 |
| Total (Acct. 233): | 141,819 | |

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

| Particulars (a) | Balance End of Year (b) | |
|--------------------------------------------------------|-------------------------------|-----------|
| Other Deferred Credits (253): | | |
| WATER CONTINGENT LIABILITY, GASB#16 SICK LEAVE PAY OUT | 178,540 | 34 |
| Total (Acct. 253): | 178,540 | |

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

| Average Rate Base (a) | Water (b) | Electric (c) | Sewer (d) | Gas (e) | Total (f) | |
|---------------------------------------------|----------------------|-------------------------|----------------------|--------------------|----------------------|----------|
| Add Average: | | | | | | |
| Utility Plant in Service | 59,612,765 | 0 | 0 | 0 | 59,612,765 | 1 |
| Materials and Supplies | 427,850 | 0 | 0 | 0 | 427,850 | 2 |
| Other (specify): | | | | | | |
| AVERAGE BALANCE ACCT 106 | 13,848,689 | | | | 13,848,689 | 3 |
| Less Average: | | | | | | |
| Reserve for Depreciation | 10,847,149 | 0 | 0 | 0 | 10,847,149 | 4 |
| Customer Advances for Construction | | | | | 0 | 5 |
| Contributions in Aid of Construction | 15,785,873 | 0 | 0 | 0 | 15,785,873 | 6 |
| Other (specify): | | | | | | |
| NONE | | | | | 0 | 7 |
| Average Net Rate Base | 47,256,282 | 0 | 0 | 0 | 47,256,282 | |
| Net Operating Income | 3,500,518 | 0 | 0 | 0 | 3,500,518 | 8 |
| Net Operating Income as a percent of | | | | | | |
| Average Net Rate Base | 7.41% | N/A | N/A | N/A | 7.41% | |

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

| Description (a) | Amount (b) | |
|----------------------------------------------|-------------------|---|
| Average Proprietary Capital | | |
| Capital Paid in by Municipality | 1,210,271 | 1 |
| Appropriated Earned Surplus | 0 | 2 |
| Unappropriated Earned Surplus | 26,872,827 | 3 |
| Other (Specify): | | |
| NONE | | 4 |
| Total Average Proprietary Capital | 28,083,098 | |
| Net Income | | |
| Net Income | 2,282,761 | 5 |
| Percent Return on Proprietary Capital | 8.13% | |

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

In November, 1997, the Utility signed cooperative agreements with the Village of Pleasant Prairie and the Town of Bristol. These agreements provide for the orderly expansion of the Village and the City west of Interstate 94 through annexations while preserving the Town of Bristol. The agreements determine the future service areas of the Utility for retail and wholesale service of water and sewer service. The PSC approved the change in water service boundaries, transfer of customers, facilities and obligations. Also approved was permission to construct a water transmission main to Bristol. This is PSC order 2820-WB-102 approved 5/13/97.

Assets currently owned by Bristol but in the area designated to be a Kenosha Water Utility retail service area will be purchased by the Utility at net book value less associated contributions. A tentative valuation of assets done in December 1996, indicated a purchase price of \$740,228 for water system assets. The transfer of assets was expected to occur in 1998 but has been delayed until 2000 until a development plan has been accepted by the State for the areas to be annexed to the City of Kenosha.

2. Leaseholder changes.

3. Extensions of service.

In 1999 Kenosha Water Utility accepted only one subdivision from a developer. Assets are only added to the Utility's books after the Utility's Engineering Services staff insures installation complies with KWU standards. Then the manager of the Utility recommends acceptance of the assets to the Board of Water Commissioners. Consequently there are a great many subdivisions who are our retail customers but may not have the main, hydrants and services recorded on KWU books.

| | |
|-----------------------------|--------------------|
| . White Caps 5A Subdivision | |
| . Main | \$56,695.93 |
| . Hydrants | 10,791.15 |
| . Services | 13,500.00 |
| . | |
| . | <u>\$80,987.08</u> |

4. Estimated changes in revenues due to rate changes.

The Utility increased rates effective December 31, 1998, per PSC order 2820-WR-103. The rate increase granted a 7.5% rate of return on net investment rate base. This was the first rate increase since 1995. The primary reason for the increase is the addition of utility plant which is a \$28 million upgrade to the treatment and pumping facilities. The overall increase in rates was 28% or additional revenue of \$1,993,861. Anticipated increases by customer class were:

| | |
|------------------------|-----|
| General Service | 31% |
| Wholesale | 38% |
| Public Fire Protection | 4% |

IMPORTANT CHANGES DURING THE YEAR**Report changes of any of the following types:****5. Obligations incurred or assumed, excluding commercial paper.**

On May 16, 1998, the Utility issued water revenue refunding bonds in the amount of \$33,765,000. This issue defeased the 1991 Revenue Bonds and the 1996 Bond Anticipation Notes. Unamortized costs associated with the 1991 and 1996 bond were not written off but instead will be amortized over the remaining issue lives along with the loss on the refunding of \$247,879. The following amortization schedule is being used:

| Annual | Unamortized Discount and Issuing Costs | | | | Total |
|--------|----------------------------------------|----------------|----------------|----------------|----------------|
| | at Refinancing Date of May 15, 1998 | | | | Amortization |
| | 1991 | 1996 | Total Unamort- | Additional | of Loss on |
| | Issue | Issue | ized Costs | Funds Required | Refinancing |
| 1998 | 7,058 | 46,775 | 53,833 | 37,977 | 91,810 |
| 1999 | 10,762 | 74,839 | 85,601 | 60,389 | 145,990 |
| 2000 | 10,192 | 74,839 | 85,031 | 59,987 | 145,018 |
| 2001 | 9,581 | 68,603 | 78,184 | 55,156 | 133,340 |
| 2002 | 8,917 | | 8,917 | 6,291 | 15,208 |
| 2003 | 8,198 | | 8,198 | 5,783 | 13,981 |
| 2004 | 7,402 | | 7,402 | 5,222 | 12,624 |
| 2005 | 6,547 | | 6,547 | 4,619 | 11,166 |
| 2006 | 5,635 | | 5,635 | 3,975 | 9,610 |
| 2007 | 4,653 | | 4,653 | 3,283 | 7,936 |
| 2008 | 3,603 | | 3,603 | 2,542 | 6,145 |
| 2009 | 2,482 | | 2,482 | 1,751 | 4,233 |
| 2010 | 1,282 | | 1,282 | 904 | 2,186 |
| | <u>86,312</u> | <u>265,056</u> | <u>351,368</u> | <u>247,879</u> | <u>599,247</u> |

This methodology has been approved by the PSC in the 1998 Rate Case. Costs are being amortized to account 428. This is in addition to discount and issuance costs on the 1998 issue.

In 1999 the City of Kenosha reviewed the outstanding unfunded liability for Wisconsin Retirement System (WRS) purposes. The City, of which the Utility is a part for WRS purposes, determined that it could realize a savings by issuing debt to pay off the unfunded obligation to the State. The unfunded obligation was on a 40 year repayment schedule with an 8% interest rate. The City issued a taxable General Obligation Bond for 20 years and paid off the unfunded liability in May, 1999.

The water division of the Utility recorded an advance from the municipality (acct 223) and a debit to miscellaneous deferred debits (acct. 186) for \$535,467.96. The Utility recorded as expense the repayment as it was being paid prior to the issue (an additional 1.4% of payroll) and interest obligation from the date of repayment through 12/31/99 as the expense for 1999. Although the Utility has been in contact with Bruce Manthey of the PSC, an amortization schedule for the year 2000 and beyond has not yet been approved.

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

6. Formal proceedings with the Public Service Commission.

Work was completed on PSC Construction authorization 2820-CW-105, the upgrading of the Production Plant facilities. The facilities were complete for the open house and dedication held on June 19, 1999. The facility was named the O. Fred Nelson Water Production Plant. As of 12/31/98 completed construction was moved to account 106 (construction not yet classified). As of 12/31/99 all construction has been completed and classified. A full years' depreciation was taken on all assets in this expansion/upgrade. The final cost and classification is as follows:

| Account | Description | Amount |
|---------|-----------------------------|-----------------|
| 311 | Source of Supply Structures | 1,136,362.88 |
| 316 | Supply Mains | 453,081.81 |
| 321 | Pumping Structures | 2,959,239.00 |
| 323 | Other Power Prod Equipment | 39,673.11 |
| 325 | Electric Pumping Equipment | 3,024,005.34 |
| 331 | Water Treatment Structures | 6,496,686.58 |
| 332 | Water Treatment Equipment | 11,646,376.79 |
| 342 | Reservoirs & Standpipes | 1,848,044.51 |
| 343 | Distribution Mains | 916,407.24 |
| 391 | Furniture & Equipment | 2,520.00 |
| 397 | Telephone Equipment | 10,864.37 |
| 397.1 | SCADA Equipment | 437,640.20 |
| . | | |
| . | Total | \$28,970,901.83 |

New depreciation rates were placed in use for calendar year 1999. These rates were certified by the PSC on 8/7/98 in conjunction with the rate case. The year of 1999 is the first year the large additional depreciation of \$408,500 is not being recorded due to the retirement of the West Plant. However additional depreciation was authorized per an 8/7/98 memo for two asset classes for a five year period beginning 1/1/99: Account 328, \$12,000; account 397.1, \$7,000. Depreciation rates for twenty-two asset classes were also changed per the 8/7/98 memo from the PSC.

7. Any additional matters.

In December, 1998, when the new micromembrane filtration units became operational, the Utility discontinued using the sedimentation basins in the "Old West Plant" which was constructed in 1916, as well as the existing pump station. Plant assets costing \$2,226,845 were retired from service. In addition other plant, mainly the building structures, costing \$1,129,393 were removed from service and placed into account 121, Non-Utility Property. The additional depreciation authorized since 1995 by the PSC caused these assets to become fully depreciated. Therefore the amount of accumulated depreciation removed equalled the value of the plant, \$1,129,393.

In 1999 the "Old West Plant" was sold to the State of Wisconsin for possible use by the City of Kenosha for an automobile museum. The sale specifies the assets and any improvement there will be returned to the Utility in 20 years. A portion of the "Old West Plant" in particular the sedimentation basins were deemed unable to comply with ADA accessibility requirements. In year 2000 these assets were transferred back to the Utility.

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-19)

Miscellaneous Deferred Debit - WRS Obligation

The Water Utility's proportionate share of the pay off made by the City of the Employee Trust Fund unfunded obligation has been recorded by a debit to account 186, Miscellaneous Deferred Debits and a credit to account 223, Advances from Municipality. This was as directed by Bruce Manthey of the PSC in his 1/27/2000 letter, file DWCCA-2820-BJM. An amortization method for year 2000 and beyond has not been determined yet. Further information must be obtained from the City and submitted to the PSC before the amortization schedule can be set.

Identification and Ownership - Contacts (Page iv)

September 13 2000

Ms. Cathy Brnak, Supervisor of Operations - Finance
Kenosha Water Utility
4401 Green Bay Road
Kenosha, WI 53144-1716

1999 Analytical Review DWCCA-2820-ELE

Dear Ms. Brnak:

The Public Service Commission has completed their analytical review of your 1999 annual report. The primary purpose of our analytical review is to detect possible accounting related errors and to identify significant fluctuations from prior year's data, which are not sufficiently explained in the footnotes of your annual report. We have no questions, only the following comment.

You did an especially nice job completing your annual report. Our only comment is that special assessments are more appropriately recorded in Account 124, Other Investments. Please reclassify the special assessments reported in Account 143, Other Accounts Receivable, Balance Sheet End of Year Account Balances schedule, to Account 124.

You may consider your review closed. Thank you for your efforts in preparing your 1999 annual report. If you have any questions, please feel free to contact me at (608) 266-3768 or e-mail me at engele@psc.state.wi.us.

Sincerely,

Elaine Engelke
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

ELE:tlmw:\compl\Analytical Reviews\1999 analytical review letters\2820 no prob CEM.doc

cc: Mr. Everett C. Butler, Chairman

WATER OPERATING REVENUES & EXPENSES

| Particulars (a) | Amounts (b) | |
|--------------------------------------------------|------------------------|----|
| Operating Revenues | | |
| Sales of Water | | |
| Sales of Water (460-467) | 9,505,921 | 1 |
| Total Sales of Water | 9,505,921 | |
| Other Operating Revenues | | |
| Forfeited Discounts (470) | 66,771 | 2 |
| Miscellaneous Service Revenues (471) | 17,519 | 3 |
| Rents from Water Property (472) | 0 | 4 |
| Interdepartmental Rents (473) | 0 | 5 |
| Other Water Revenues (474) | 77,879 | 6 |
| Amortization of Construction Grants (475) | 0 | 7 |
| Total Other Operating Revenues | 162,169 | |
| Total Operating Revenues | 9,668,090 | |
| Operation and Maintenance Expenses | | |
| Source of Supply Expense (600-617) | 780 | 8 |
| Pumping Expenses (620-633) | 720,837 | 9 |
| Water Treatment Expenses (640-652) | 555,103 | 10 |
| Transmission and Distribution Expenses (660-678) | 1,049,153 | 11 |
| Customer Accounts Expenses (901-905) | 207,998 | 12 |
| Sales Expenses (910) | 0 | 13 |
| Administrative and General Expenses (920-932) | 756,087 | 14 |
| Total Operation and Maintenance Expenses | 3,289,958 | |
| Other Operating Expenses | | |
| Depreciation Expense (403) | 1,505,994 | 15 |
| Amortization Expense (404-407) | | 16 |
| Taxes (408) | 1,371,620 | 17 |
| Total Other Operating Expenses | 2,877,614 | |
| Total Operating Expenses | 6,167,572 | |
| NET OPERATING INCOME | 3,500,518 | |

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

| Particulars (a) | Average No. Customers (b) | Thousands of Gallons of Water Sold (c) | Amounts (d) | |
|---------------------------------------------------------|------------------------------|----------------------------------------------|------------------|----|
| Operating Revenues | | | | |
| Sales of Water | | | | |
| Unmetered Sales to General Customers (460) | | | | |
| Residential | 22 | 4,000 | 7,501 | 1 |
| Commercial | 20 | 1,400 | 2,626 | 2 |
| Industrial | | | | 3 |
| Total Unmetered Sales to General Customers (460) | 42 | 5,400 | 10,127 | |
| Metered Sales to General Customers (461) | | | | |
| Residential | 24,261 | 1,977,273 | 4,706,714 | 4 |
| Commercial | 2,813 | 1,055,920 | 2,045,606 | 5 |
| Industrial | 84 | 397,401 | 546,970 | 6 |
| Total Metered Sales to General Customers (461) | 27,158 | 3,430,594 | 7,299,290 | |
| Private Fire Protection Service (462) | 303 | | 100,666 | 7 |
| Public Fire Protection Service (463) | 4 | | 914,055 | 8 |
| Other Sales to Public Authorities (464) | 178 | 110,103 | 219,688 | 9 |
| Sales to Irrigation Customers (465) | 2 | 2,091 | 3,387 | 10 |
| Sales for Resale (466) | 16 | 673,423 | 958,708 | 11 |
| Interdepartmental Sales (467) | | | | 12 |
| Total Sales of Water | 27,703 | 4,221,611 | 9,505,921 | |

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

| Customer Name (a) | Point of Delivery (b) | Thousands of Gallons Sold (c) | Revenues (d) | |
|------------------------------|----------------------------------|----------------------------------------------|-------------------------|-----------|
| Town of Somers | 3898 12th Street | 761 | 2,027 | 1 |
| Town of Somers | 1201 22nd Avenue | 12,445 | 18,375 | 2 |
| Town of Somers | 3801 Green Bay Road | 8 | 974 | 3 |
| Town of Somers | 3000 12th Street | 44,624 | 63,397 | 4 |
| Town of Somers | 6201 50th Street | 71 | 666 | 5 |
| TOWN OF SOMERS | 1701 Sheridan Road | 75,046 | 106,457 | 6 |
| TOWN OF SOMERS | 4098 15th Street | 15,207 | 22,236 | 7 |
| Village of Pleasant Prairie | 8499 51st Avenue | 105,751 | 148,865 | 8 |
| Village of Pleasant Prairie | 8229 63rd Avenue | 67,183 | 94,987 | 9 |
| Village of Pleasant Prairie | 8199 Green Bay Road | 96,996 | 136,696 | 10 |
| Village of Pleasant Prairie | 7431 88th Avenue | 78,359 | 111,087 | 11 |
| Village of Pleasant Prairie | 4300 85th Street | 112,593 | 158,525 | 12 |
| Village of Pleasant Prairie | 1800 91st Street | 4,553 | 7,335 | 13 |
| Village of Pleasant Prairie | 8501 7th Avenue | 28,614 | 41,480 | 14 |
| Village of Pleasant Prairie | 8951 39th Avenue | 8,595 | 12,989 | 15 |
| Village of Pleasant Prairie | 11734 75th Street | 22,617 | 32,612 | 16 |
| Total | | 673,423 | 958,708 | |

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

| Particulars (a) | Amount (b) | |
|----------------------------------------------------------------------------------------------------------|----------------|----|
| Public Fire Protection Service (463): | | |
| Amount billed (usually per rate schedule F-1) | 856,046 | 1 |
| Wholesale fire protection billed | 58,009 | 2 |
| Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1) | | 3 |
| Other (specify): | | |
| NONE | | 4 |
| Total Public Fire Protection Service (463) | 914,055 | |
| Forfeited Discounts (470): | | |
| Customer late payment charges | 66,771 | 5 |
| Other (specify): | | |
| NONE | | 6 |
| Total Forfeited Discounts (470) | 66,771 | |
| Miscellaneous Service Revenues (471): | | |
| HYDRANT PERMITS | 5,730 | 7 |
| TURN ON CHARGES | 6,574 | 8 |
| BACTI TESTS | 2,400 | 9 |
| OTHER | 2,815 | 10 |
| Total Miscellaneous Service Revenues (471) | 17,519 | |
| Rents from Water Property (472): | | |
| NONE | | 11 |
| Total Rents from Water Property (472) | 0 | |
| Interdepartmental Rents (473): | | |
| NONE | | 12 |
| Total Interdepartmental Rents (473) | 0 | |
| Other Water Revenues (474): | | |
| Return on net investment in meters charged to sewer department | 77,879 | 13 |
| Other (specify): | | |
| NONE | | 14 |
| Total Other Water Revenues (474) | 77,879 | |
| Amortization of Construction Grants (475): | | |
| NONE | | 15 |
| Total Amortization of Construction Grants (475) | 0 | |

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

| Particulars (a) | Amount (b) | |
|-----------------------------------------------------------|----------------|----|
| SOURCE OF SUPPLY EXPENSES | | |
| Operation Supervision and Engineering (600) | | 1 |
| Operation Labor and Expenses (601) | | 2 |
| Purchased Water (602) | | 3 |
| Miscellaneous Expenses (603) | | 4 |
| Rents (604) | | 5 |
| Maintenance Supervision and Engineering (610) | | 6 |
| Maintenance of Structures and Improvements (611) | | 7 |
| Maintenance of Collecting and Impounding Reservoirs (612) | | 8 |
| Maintenance of Lake, River and Other Intakes (613) | 780 | 9 |
| Maintenance of Wells and Springs (614) | | 10 |
| Maintenance of Infiltration Galleries and Tunnels (615) | | 11 |
| Maintenance of Supply Mains (616) | | 12 |
| Maintenance of Miscellaneous Water Source Plant (617) | | 13 |
| Total Source of Supply Expenses | 780 | |
| PUMPING EXPENSES | | |
| Operation Supervision and Engineering (620) | 43,270 | 14 |
| Fuel for Power Production (621) | | 15 |
| Power Production Labor and Expenses (622) | | 16 |
| Fuel or Power Purchased for Pumping (623) | 497,967 | 17 |
| Pumping Labor and Expenses (624) | 84,304 | 18 |
| Expenses Transferred--Credit (625) | | 19 |
| Miscellaneous Expenses (626) | 12,132 | 20 |
| Rents (627) | 5,400 | 21 |
| Maintenance Supervision and Engineering (630) | | 22 |
| Maintenance of Structures and Improvements (631) | 28,656 | 23 |
| Maintenance of Power Production Equipment (632) | | 24 |
| Maintenance of Pumping Equipment (633) | 49,108 | 25 |
| Total Pumping Expenses | 720,837 | |
| WATER TREATMENT EXPENSES | | |
| Operation Supervision and Engineering (640) | 44,072 | 26 |
| Chemicals (641) | 65,231 | 27 |

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

| Particulars (a) | Amount (b) | |
|-------------------------------------------------------------|------------------|----|
| WATER TREATMENT EXPENSES | | |
| Operation Labor and Expenses (642) | 173,911 | 28 |
| Miscellaneous Expenses (643) | 10,357 | 29 |
| Rents (644) | | 30 |
| Maintenance Supervision and Engineering (650) | | 31 |
| Maintenance of Structures and Improvements (651) | 31,731 | 32 |
| Maintenance of Water Treatment Equipment (652) | 229,801 | 33 |
| Total Water Treatment Expenses | 555,103 | |
| TRANSMISSION AND DISTRIBUTION EXPENSES | | |
| Operation Supervision and Engineering (660) | 31,352 | 34 |
| Storage Facilities Expenses (661) | | 35 |
| Transmission and Distribution Lines Expenses (662) | 36,133 | 36 |
| Meter Expenses (663) | 69,734 | 37 |
| Customer Installations Expenses (664) | 5,512 | 38 |
| Miscellaneous Expenses (665) | 310,170 | 39 |
| Rents (666) | | 40 |
| Maintenance Supervision and Engineering (670) | 34,610 | 41 |
| Maintenance of Structures and Improvements (671) | | 42 |
| Maintenance of Distribution Reservoirs and Standpipes (672) | 37,128 | 43 |
| Maintenance of Transmission and Distribution Mains (673) | 410,855 | 44 |
| Maintenance of Fire Mains (674) | | 45 |
| Maintenance of Services (675) | 58,175 | 46 |
| Maintenance of Meters (676) | 33,090 | 47 |
| Maintenance of Hydrants (677) | 22,394 | 48 |
| Maintenance of Miscellaneous Plant (678) | | 49 |
| Total Transmission and Distribution Expenses | 1,049,153 | |
| CUSTOMER ACCOUNTS EXPENSES | | |
| Supervision (901) | | 50 |
| Meter Reading Labor (902) | 39,139 | 51 |
| Customer Records and Collection Expenses (903) | 168,859 | 52 |
| Uncollectible Accounts (904) | | 53 |

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

| Particulars (a) | Amount (b) | |
|---------------------------------------------------|------------------|----|
| CUSTOMER ACCOUNTS EXPENSES | | |
| Miscellaneous Customer Accounts Expenses (905) | | 54 |
| Total Customer Accounts Expenses | 207,998 | |
| SALES EXPENSES | | |
| Sales Expenses (910) | | 55 |
| Total Sales Expenses | 0 | |
| ADMINISTRATIVE AND GENERAL EXPENSES | | |
| Administrative and General Salaries (920) | 136,870 | 56 |
| Office Supplies and Expenses (921) | 32,041 | 57 |
| Administrative Expenses Transferred--Credit (922) | | 58 |
| Outside Services Employed (923) | 132,767 | 59 |
| Property Insurance (924) | 46,164 | 60 |
| Injuries and Damages (925) | 33,110 | 61 |
| Employee Pensions and Benefits (926) | 348,986 | 62 |
| Regulatory Commission Expenses (928) | | 63 |
| Duplicate Charges--Credit (929) | | 64 |
| Miscellaneous General Expenses (930) | 26,149 | 65 |
| Rents (931) | | 66 |
| Maintenance of General Plant (932) | | 67 |
| Total Administrative and General Expenses | 756,087 | |
| Total Operation and Maintenance Expenses | 3,289,958 | |

TAXES (ACCT. 408 - WATER)

| |
|----------------------------------------------------------------------------|
| When allocation of taxes is made between departments, explain method used. |
|----------------------------------------------------------------------------|

| Description of Tax (a) | Method Used to Allocate Between Departments (b) | Amount (c) | |
|--------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------|----------|
| Property Tax Equivalent | | 1,286,365 | 1 |
| Less: Local and School Tax Equivalent on Meters Charged to Sewer Department | | 26,050 | 2 |
| Net property tax equivalent | | 1,260,315 | |
| Social Security | | 108,305 | 3 |
| PSC Remainder Assessment | | 9,048 | 4 |
| Other (specify): TAXES CAPITALIZED IN PRODUCTION PLANT | | (6,048) | 5 |
| Total tax expense | | 1,371,620 | |

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

| Particulars (a) | Units (b) | Total (c) | County A (d) | County B (e) | County C (f) | County D (g) | |
|------------------------------------------------------------------------|--------------|-------------------|-------------------|-----------------|-----------------|-----------------|----|
| County name | | | Kenosha | | | | 1 |
| SUMMARY OF TAX RATES | | | | | | | 2 |
| State tax rate | mills | | 0.218000 | | | | 3 |
| County tax rate | mills | | 5.310000 | | | | 4 |
| Local tax rate | mills | | 9.483000 | | | | 5 |
| School tax rate | mills | | 9.409000 | | | | 6 |
| Voc. school tax rate | mills | | 1.683000 | | | | 7 |
| Other tax rate - Local | mills | | 1.189000 | | | | 8 |
| Other tax rate - Non-Local | mills | | 0.000000 | | | | 9 |
| Total tax rate | mills | | 27.292000 | | | | 10 |
| Less: state credit | mills | | 1.781000 | | | | 11 |
| Net tax rate | mills | | 25.511000 | | | | 12 |
| PROPERTY TAX EQUIVALENT CALCULATION | | | | | | | 13 |
| Local Tax Rate | mills | | 9.483000 | | | | 14 |
| Combined School Tax Rate | mills | | 11.092000 | | | | 15 |
| Other Tax Rate - Local | mills | | 1.189000 | | | | 16 |
| Total Local & School Tax | mills | | 21.764000 | | | | 17 |
| Total Tax Rate | mills | | 27.292000 | | | | 18 |
| Ratio of Local and School Tax to Total | dec. | | 0.797450 | | | | 19 |
| Total tax net of state credit | mills | | 25.511000 | | | | 20 |
| Net Local and School Tax Rate | mills | | 20.343742 | | | | 21 |
| Utility Plant, Jan. 1 | \$ | 73,599,562 | 73,599,562 | | | | 22 |
| Materials & Supplies | \$ | 476,709 | 476,709 | | | | 23 |
| Subtotal | \$ | 74,076,271 | 74,076,271 | | | | 24 |
| Less: Plant Outside Limits | \$ | 5,191,487 | 5,191,487 | | | | 25 |
| Taxable Assets | \$ | 68,884,784 | 68,884,784 | | | | 26 |
| Assessment Ratio | dec. | | 0.917931 | | | | 27 |
| Assessed Value | \$ | 63,231,479 | 63,231,479 | | | | 28 |
| Net Local & School Rate | mills | | 20.343742 | | | | 29 |
| Tax Equiv. Computed for Current Year | \$ | 1,286,365 | 1,286,365 | | | | 30 |
| Tax Equivalent per 1994 PSC Report | \$ | 1,033,306 | | | | | 31 |
| Any lower tax equivalent as authorized by municipality (see note 6) | \$ | | | | | | 32 |
| Tax equiv. for current year (see note 6) | \$ | 1,286,365 | | | | | 34 |

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

| Accounts (a) | Balance First of Year (b) | Additions During Year (c) | |
|--------------------------------------------|---------------------------------|---------------------------------|----|
| INTANGIBLE PLANT | | | |
| Organization (301) | 0 | | 1 |
| Franchises and Consents (302) | 0 | | 2 |
| Miscellaneous Intangible Plant (303) | 0 | | 3 |
| Total Intangible Plant | 0 | 0 | |
| SOURCE OF SUPPLY PLANT | | | |
| Land and Land Rights (310) | 0 | | 4 |
| Structures and Improvements (311) | 0 | 1,136,363 | 5 |
| Collecting and Impounding Reservoirs (312) | 268,711 | | 6 |
| Lake, River and Other Intakes (313) | 1,560,477 | | 7 |
| Wells and Springs (314) | 0 | | 8 |
| Infiltration Galleries and Tunnels (315) | 0 | | 9 |
| Supply Mains (316) | 0 | 453,082 | 10 |
| Other Water Source Plant (317) | 0 | | 11 |
| Total Source of Supply Plant | 1,829,188 | 1,589,445 | |
| PUMPING PLANT | | | |
| Land and Land Rights (320) | 19,328 | | 12 |
| Structures and Improvements (321) | 613,685 | 2,959,239 | 13 |
| Boiler Plant Equipment (322) | 0 | | 14 |
| Other Power Production Equipment (323) | 539,895 | 102,017 | 15 |
| Steam Pumping Equipment (324) | 0 | | 16 |
| Electric Pumping Equipment (325) | 1,428,148 | 3,053,348 | 17 |
| Diesel Pumping Equipment (326) | 0 | | 18 |
| Hydraulic Pumping Equipment (327) | 0 | | 19 |
| Other Pumping Equipment (328) | 9,618 | | 20 |
| Total Pumping Plant | 2,610,674 | 6,114,604 | |
| WATER TREATMENT PLANT | | | |
| Land and Land Rights (330) | 27,033 | | 21 |
| Structures and Improvements (331) | 1,519,520 | 6,562,288 | 22 |
| Water Treatment Equipment (332) | 1,151,235 | 11,666,929 | 23 |
| Total Water Treatment Plant | 2,697,788 | 18,229,217 | |
| TRANSMISSION AND DISTRIBUTION PLANT | | | |
| Land and Land Rights (340) | 305,382 | | 24 |
| Structures and Improvements (341) | 0 | | 25 |

WATER UTILITY PLANT IN SERVICE (cont.)

| Accounts (d) | Retirements During Year (e) | Adjustments Increase or (Decrease) (f) | Balance End of Year (g) | |
|--------------------------------------------|--------------------------------------------|-----------------------------------------------------------|----------------------------------------|----|
| INTANGIBLE PLANT | | | | |
| Organization (301) | | | 0 | 1 |
| Franchises and Consents (302) | | | 0 | 2 |
| Miscellaneous Intangible Plant (303) | | | 0 | 3 |
| Total Intangible Plant | 0 | 0 | 0 | |
| SOURCE OF SUPPLY PLANT | | | | |
| Land and Land Rights (310) | | | 0 | 4 |
| Structures and Improvements (311) | | | 1,136,363 | 5 |
| Collecting and Impounding Reservoirs (312) | | | 268,711 | 6 |
| Lake, River and Other Intakes (313) | 38,066 | | 1,522,411 | 7 |
| Wells and Springs (314) | | | 0 | 8 |
| Infiltration Galleries and Tunnels (315) | | | 0 | 9 |
| Supply Mains (316) | | | 453,082 | 10 |
| Other Water Source Plant (317) | | | 0 | 11 |
| Total Source of Supply Plant | 38,066 | 0 | 3,380,567 | |
| PUMPING PLANT | | | | |
| Land and Land Rights (320) | | | 19,328 | 12 |
| Structures and Improvements (321) | 113,259 | | 3,459,665 | 13 |
| Boiler Plant Equipment (322) | | | 0 | 14 |
| Other Power Production Equipment (323) | | | 641,912 | 15 |
| Steam Pumping Equipment (324) | | | 0 | 16 |
| Electric Pumping Equipment (325) | 528,790 | | 3,952,706 | 17 |
| Diesel Pumping Equipment (326) | | | 0 | 18 |
| Hydraulic Pumping Equipment (327) | | | 0 | 19 |
| Other Pumping Equipment (328) | 641 | | 8,977 | 20 |
| Total Pumping Plant | 642,690 | 0 | 8,082,588 | |
| WATER TREATMENT PLANT | | | | |
| Land and Land Rights (330) | | | 27,033 | 21 |
| Structures and Improvements (331) | 4,434 | | 8,077,374 | 22 |
| Water Treatment Equipment (332) | 87,169 | | 12,730,995 | 23 |
| Total Water Treatment Plant | 91,603 | 0 | 20,835,402 | |
| TRANSMISSION AND DISTRIBUTION PLANT | | | | |
| Land and Land Rights (340) | | | 305,382 | 24 |
| Structures and Improvements (341) | | | 0 | 25 |

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

| Accounts (a) | Balance First of Year (b) | Additions During Year (c) | |
|-----------------------------------------------------------|---------------------------------|---------------------------------|----|
| TRANSMISSION AND DISTRIBUTION PLANT | | | |
| Distribution Reservoirs and Standpipes (342) | 2,756,640 | 1,868,289 | 26 |
| Transmission and Distribution Mains (343) | 23,755,099 | 1,402,807 | 27 |
| Fire Mains (344) | 0 | | 28 |
| Services (345) | 4,007,969 | 136,886 | 29 |
| Meters (346) | 2,789,906 | 292,880 | 30 |
| Hydrants (348) | 2,282,960 | 55,969 | 31 |
| Other Transmission and Distribution Plant (349) | 0 | | 32 |
| Total Transmission and Distribution Plant | 35,897,956 | 3,756,831 | |
| GENERAL PLANT | | | |
| Land and Land Rights (389) | 0 | | 33 |
| Structures and Improvements (390) | 0 | | 34 |
| Office Furniture and Equipment (391) | 98,744 | 3,060 | 35 |
| Computer Equipment (391.1) | 332,172 | 41,265 | 36 |
| Transportation Equipment (392) | 713,994 | 75,219 | 37 |
| Stores Equipment (393) | 1,746 | | 38 |
| Tools, Shop and Garage Equipment (394) | 210,319 | 3,574 | 39 |
| Laboratory Equipment (395) | 136,284 | | 40 |
| Power Operated Equipment (396) | 434,435 | | 41 |
| Communication Equipment (397) | 27,800 | 19,325 | 42 |
| SCADA Equipment (397.1) | 110,109 | 437,640 | 43 |
| Miscellaneous Equipment (398) | 2,810 | 982 | 44 |
| Other Tangible Property (399) | 0 | | 45 |
| Total General Plant | 2,068,413 | 581,065 | |
| Total utility plant in service directly assignable | 45,104,019 | 30,271,162 | |
| Common Utility Plant Allocated to Water Department | 0 | | 46 |
| Total utility plant in service | 45,104,019 | 30,271,162 | |

WATER UTILITY PLANT IN SERVICE (cont.)

| Accounts (d) | Retirements During Year (e) | Adjustments Increase or (Decrease) (f) | Balance End of Year (g) | |
|-----------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------|----------------------------------------|----|
| TRANSMISSION AND DISTRIBUTION PLANT | | | | |
| Distribution Reservoirs and Standpipes (342) | 41,443 | | 4,583,486 | 26 |
| Transmission and Distribution Mains (343) | 20,618 | | 25,137,288 | 27 |
| Fire Mains (344) | | | 0 | 28 |
| Services (345) | 378 | | 4,144,477 | 29 |
| Meters (346) | 122,279 | | 2,960,507 | 30 |
| Hydrants (348) | 9,034 | | 2,329,895 | 31 |
| Other Transmission and Distribution Plant (349) | | | 0 | 32 |
| Total Transmission and Distribution Plant | 193,752 | 0 | 39,461,035 | |
| GENERAL PLANT | | | | |
| Land and Land Rights (389) | | | 0 | 33 |
| Structures and Improvements (390) | | | 0 | 34 |
| Office Furniture and Equipment (391) | 22,158 | | 79,646 | 35 |
| Computer Equipment (391.1) | 70,425 | (4,701) | 298,311 | 36 |
| Transportation Equipment (392) | 11,563 | 10,838 | 788,488 | 37 |
| Stores Equipment (393) | | | 1,746 | 38 |
| Tools, Shop and Garage Equipment (394) | 13,871 | | 200,022 | 39 |
| Laboratory Equipment (395) | 6,983 | | 129,301 | 40 |
| Power Operated Equipment (396) | 57,860 | | 376,575 | 41 |
| Communication Equipment (397) | 440 | | 46,685 | 42 |
| SCADA Equipment (397.1) | 110,109 | | 437,640 | 43 |
| Miscellaneous Equipment (398) | 286 | | 3,506 | 44 |
| Other Tangible Property (399) | | | 0 | 45 |
| Total General Plant | 293,695 | 6,137 | 2,361,920 | |
| Total utility plant in service directly assignable | 1,259,806 | 6,137 | 74,121,512 | |
| Common Utility Plant Allocated to Water Department | | | 0 | 46 |
| Total utility plant in service | 1,259,806 | 6,137 | 74,121,512 | |

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
2. If more than one depreciation rate is used, report the average rate in column (c).

| Primary Plant Accounts (a) | Balance First of Year (b) | Rate % Used (c) | Accruals During Year (d) | |
|--------------------------------------------------|------------------------------------------|--------------------------------|-----------------------------------------|-----------|
| SOURCE OF SUPPLY PLANT | | | | |
| Structures and Improvements (311) | 0 | 2.00% | 22,727 | 1 |
| Collecting and Impounding Reservoirs (312) | 111,007 | 1.67% | 4,487 | 2 |
| Lake, River and Other Intakes (313) | 488,399 | 1.67% | 26,060 | 3 |
| Wells and Springs (314) | 0 | | | 4 |
| Infiltration Galleries and Tunnels (315) | 0 | | | 5 |
| Supply Mains (316) | 0 | 1.33% | | 6 |
| Other Water Source Plant (317) | 0 | | | 7 |
| Total Source of Supply Plant | 599,406 | | 53,274 | |
| PUMPING PLANT | | | | |
| Structures and Improvements (321) | 93,448 | 2.00% | 71,458 | 8 |
| Boiler Plant Equipment (322) | 0 | | | 9 |
| Other Power Production Equipment (323) | 159,046 | 4.00% | 24,430 | 10 |
| Steam Pumping Equipment (324) | 0 | | | 11 |
| Electric Pumping Equipment (325) | 549,030 | 3.33% | 148,745 | 12 |
| Diesel Pumping Equipment (326) | 0 | | | 13 |
| Hydraulic Pumping Equipment (327) | 0 | | | 14 |
| Other Pumping Equipment (328) | (45,426) | 4.00% | 12,372 | 15 |
| Total Pumping Plant | 756,098 | | 257,005 | |
| WATER TREATMENT PLANT | | | | |
| Structures and Improvements (331) | 944,464 | 2.00% | 160,980 | 16 |
| Water Treatment Equipment (332) | 1,113,708 | 3.24% | 414,976 | 17 |
| Total Water Treatment Plant | 2,058,172 | | 575,956 | |
| TRANSMISSION AND DISTRIBUTION PLANT | | | | |
| Structures and Improvements (341) | 0 | 2.50% | | 18 |
| Distribution Reservoirs and Standpipes (342) | 1,327,785 | 1.86% | 85,450 | 19 |
| Transmission and Distribution Mains (343) | 2,193,232 | 0.93% | 231,611 | 20 |
| Fire Mains (344) | 0 | | | 21 |
| Services (345) | 1,494,827 | 2.09% | 85,193 | 22 |
| Meters (346) | 784,881 | 5.00% | 143,760 | 23 |
| Hydrants (348) | 517,542 | 1.59% | 36,672 | 24 |
| Other Transmission and Distribution Plant (349) | 0 | | | 25 |
| Total Transmission and Distribution Plant | 6,318,267 | | 582,686 | |

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

| Account (e) | Book Cost of Plant Retired (f) | Cost of Removal (g) | Salvage (h) | Adjustments Increase or (Decrease) (i) | Balance End of Year (j) | |
|----------------|--------------------------------------|---------------------------|----------------|-------------------------------------------------|-------------------------------|----|
| 311 | | | | | 22,727 | 1 |
| 312 | | 16,000 | | | 99,494 | 2 |
| 313 | 38,066 | | | | 476,393 | 3 |
| 314 | | | | | 0 | 4 |
| 315 | | | | | 0 | 5 |
| 316 | | | | | 0 | 6 |
| 317 | | | | | 0 | 7 |
| | 38,066 | 16,000 | 0 | 0 | 598,614 | |
| 321 | 113,259 | 65,235 | | | (13,588) | 8 |
| 322 | | | | | 0 | 9 |
| 323 | | | | | 183,476 | 10 |
| 324 | | | | | 0 | 11 |
| 325 | 528,790 | 1,700 | 31,300 | | 198,585 | 12 |
| 326 | | | | | 0 | 13 |
| 327 | | | | | 0 | 14 |
| 328 | 641 | | | | (33,695) | 15 |
| | 642,690 | 66,935 | 31,300 | 0 | 334,778 | |
| 331 | 4,434 | 27,500 | | | 1,073,510 | 16 |
| 332 | 87,169 | 60,020 | | | 1,381,495 | 17 |
| | 91,603 | 87,520 | 0 | 0 | 2,455,005 | |
| 341 | | | | | 0 | 18 |
| 342 | 41,443 | 328,151 | | | 1,043,641 | 19 |
| 343 | 20,618 | | | | 2,404,225 | 20 |
| 344 | | | | | 0 | 21 |
| 345 | 378 | | | | 1,579,642 | 22 |
| 346 | 122,279 | | 5,613 | | 811,975 | 23 |
| 348 | 9,034 | | 9,607 | | 554,787 | 24 |
| 349 | | | | | 0 | 25 |
| | 193,752 | 328,151 | 15,220 | 0 | 6,394,270 | |

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
2. If more than one depreciation rate is used, report the average rate in column (c).

| Primary Plant Accounts (a) | Balance First of Year (b) | Rate % Used (c) | Accruals During Year (d) | |
|----------------------------------------------------|------------------------------------------|--------------------------------|-----------------------------------------|-----------|
| GENERAL PLANT | | | | |
| Structures and Improvements (390) | 0 | 2.86% | | 26 |
| Office Furniture and Equipment (391) | 31,716 | 5.88% | 5,319 | 27 |
| Computer Equipment (391.1) | 237,546 | 14.29% | 26,794 | 28 |
| Transportation Equipment (392) | 411,660 | 12.86% | 57,596 | 29 |
| Stores Equipment (393) | 433 | 5.88% | 103 | 30 |
| Tools, Shop and Garage Equipment (394) | 172,176 | 5.88% | 12,064 | 31 |
| Laboratory Equipment (395) | 23,185 | 5.88% | 7,808 | 32 |
| Power Operated Equipment (396) | 165,630 | 9.00% | 28,016 | 33 |
| Communication Equipment (397) | 3,023 | 9.09% | 3,879 | 34 |
| SCADA Equipment (397.1) | 79,014 | 10.00% | 61,775 | 35 |
| Miscellaneous Equipment (398) | 1,578 | 5.88% | 194 | 36 |
| Other Tangible Property (399) | 0 | | | 37 |
| Total General Plant | 1,125,961 | | 203,548 | |
| Total accum. prov. directly assignable | 10,857,904 | | 1,672,469 | |
| | | | | |
| Common Utility Plant Allocated to Water Department | 0 | | | 38 |
| | | | | |
| Total accum. prov. for depreciation | 10,857,904 | | 1,672,469 | |

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

| Account (e) | Book Cost of Plant Retired (f) | Cost of Removal (g) | Salvage (h) | Adjustments Increase or (Decrease) (i) | Balance End of Year (j) | |
|----------------|--------------------------------------|---------------------------|----------------|-------------------------------------------------|-------------------------------|----|
| 390 | | | | | 0 | 26 |
| 391 | 22,158 | | | | 14,877 | 27 |
| 391.1 | 70,425 | | | (3,507) | 190,408 | 28 |
| 392 | 11,563 | | 1,840 | 7,605 | 467,138 | 29 |
| 393 | | | | | 536 | 30 |
| 394 | 13,871 | | | | 170,369 | 31 |
| 395 | 6,983 | | | | 24,010 | 32 |
| 396 | 57,860 | | 35,420 | (23,445) | 147,761 | 33 |
| 397 | 440 | | | | 6,462 | 34 |
| 397.1 | 110,109 | | | | 30,680 | 35 |
| 398 | 286 | | | | 1,486 | 36 |
| 399 | | | | | 0 | 37 |
| | 293,695 | 0 | 37,260 | (19,347) | 1,053,727 | |
| | 1,259,806 | 498,606 | 83,780 | (19,347) | 10,836,394 | |
| | | | | | 0 | 38 |
| | 1,259,806 | 498,606 | 83,780 | (19,347) | 10,836,394 | |

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

| Month (a) | Sources of Water Supply | | | Total Gallons All Methods (000's) (e) | |
|----------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------|-------------------------------------------|------------------------------------------------|----|
| | Purchased Water Gallons (000's) (b) | Surface Water Gallons (000's) (c) | Ground Water Gallons (000's) (d) | | |
| January | | 424,196 | | 424,196 | 1 |
| February | | 352,768 | | 352,768 | 2 |
| March | | 393,244 | | 393,244 | 3 |
| April | | 385,467 | | 385,467 | 4 |
| May | | 422,244 | | 422,244 | 5 |
| June | | 458,918 | | 458,918 | 6 |
| July | | 614,435 | | 614,435 | 7 |
| August | | 529,955 | | 529,955 | 8 |
| September | | 470,183 | | 470,183 | 9 |
| October | | 422,972 | | 422,972 | 10 |
| November | | 400,189 | | 400,189 | 11 |
| December | | 413,420 | | 413,420 | 12 |
| Total for year | 0 | 5,287,991 | 0 | 5,287,991 | |
| Less: Measured or estimated water used in main flushing and water treatment during year | | | | 135,762 | 13 |
| Less: Other utility use | | | | 459,800 | 14 |
| Other utility use explanation: | | | | | 15 |
| Backwash at Production Plant | | | | | |
| Water pumped into distribution system | | | | 4,692,429 | 16 |
| Less: Water sold | | | | 4,221,611 | 17 |
| Losses and unaccounted for | | | | 470,818 | 18 |
| Percent unaccounted for to the nearest whole percent (%) | | | | 10% | 19 |
| If more than 15%, indicate causes and state what action has been taken to reduce water loss: | | | | | 20 |
| Maximum gallons pumped by all methods in any one day during reporting year | | | | 24,305 | 21 |
| Date of maximum: 8/2/1999 | | | | | 22 |
| Cause of maximum: | | | | | 23 |
| Hot weather, dry conditions. | | | | | |
| Minimum gallons pumped by all methods in any one day during reporting year | | | | 9,189 | 24 |
| Date of minimum: 5/24/1999 | | | | | 25 |
| Total KWH used for pumping for the year | | | | 11,658,918 | 26 |
| If water is purchased: Vendor Name: | | | | | 27 |
| Point of Delivery: | | | | | 28 |

SOURCES OF WATER SUPPLY - GROUND WATERS

| Location (a) | Identification Number (b) | Depth in feet (c) | Well Diameter in inches (d) | Yield Per Day in gallons (e) | Currently In Service? (f) |
|-------------------------|------------------------------------------|----------------------------------|--------------------------------------------|---------------------------------------------|------------------------------------------|
|-------------------------|------------------------------------------|----------------------------------|--------------------------------------------|---------------------------------------------|------------------------------------------|

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

| Location (a) | Identification Number (b) | Intakes | | | |
|-------------------------|------------------------------------------|----------------------------------------------------|----------------------------------------------------|---------------------------------------|----------|
| | | Distance From Shore in feet (c) | Depth Below Surface in feet (d) | Diameter in inches (e) | |
| LAKE MICHIGAN | 1 | 4,200 | 35 | 42 | 1 |
| LAKE MICHIGAN | 2 | 4,150 | 40 | 48 | 2 |
| EMERGENCY HARBOR INTAKE | 3 | 0 | 5 | 24 | 3 |

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------|
| Identification | 30TH AVENUE, PUMP #1 | 30TH AVENUE, PUMP #2 | 30TH AVENUE, PUMP #3 | 1 |
| Location | 2040 30TH AVENUE | 2040 30TH AVENUE | 2040 30TH AVENUE | 2 |
| Purpose | B | B | B | 3 |
| Destination | D | D | D | 4 |
| Pump Manufacturer | AURORA | FAIRBANKS MORSE | FAIRBANKS MORSE | 5 |
| Year Installed | 1970 | 1982 | 1982 | 6 |
| Type | CENTRIFUGAL | CENTRIFUGAL | CENTRIFUGAL | 7 |
| Actual Capacity (gpm) | 1,050 | 2,100 | 2,100 | 8 |
| Pump Motor or Standby Engine Mfr | LOUIS ALLIS | SIEMENS ALLIS | SIEMENS ALLIS | 9 |
| Year Installed | 1970 | 1982 | 1982 | 10 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 11 |
| Horsepower | 50 | 125 | 125 | 12 |

| Particulars (a) | Unit D (b) | Unit E (c) | Unit F (d) | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------|
| Identification | 52ND STREET, PUMP #1 | 52ND STREET, PUMP #2 | 58TH STREET, PUMP #1 | 14 |
| Location | 2706 52ND STREET | 2706 52ND STREET | 4841 58TH STREET | 15 |
| Purpose | B | B | B | 16 |
| Destination | D | D | D | 17 |
| Pump Manufacturer | GOULDS PUMP | GOULDS PUMP | DEMING PUMP | 18 |
| Year Installed | 1987 | 1987 | 1980 | 19 |
| Type | CENTRIFUGAL | CENTRIFUGAL | CENTRIFUGAL | 20 |
| Actual Capacity (gpm) | 4,900 | 4,900 | 2,100 | 21 |
| Pump Motor or Standby Engine Mfr | MARATHON ELECTRIC | MARATHON ELECTRIC | U.S. ELETRICAL | 22 |
| Year Installed | 1987 | 1987 | 1980 | 23 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 24 |
| Horsepower | 150 | 150 | 150 | 25 |

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------|
| Identification | 58TH STREET, PUMP #2 | 58TH STREET, PUMP #3 | 80TH STREET, PUMP #1 | 1 |
| Location | 4841 58TH STREET | 4841 58TH STREET | 4920 80TH STREET | 2 |
| Purpose | B | B | B | 3 |
| Destination | D | D | D | 4 |
| Pump Manufacturer | CHICAGO PUMP | WEINEMAN | PEERLESS | 5 |
| Year Installed | 1966 | 1981 | 1982 | 6 |
| Type | CENTRIFUGAL | CENTRIFUGAL | CENTRIFUGAL | 7 |
| Actual Capacity (gpm) | 1,200 | 2,100 | 1,200 | 8 |
| Pump Motor or Standby Engine Mfr | LINCOLN MOTOR | LINCOLN MOTOR | MARATHON ELECTRIC | 9 |
| Year Installed | 1966 | 1981 | 1996 | 10 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 11 |
| Horsepower | 50 | 100 | 60 | 12 |

| Particulars (a) | Unit D (b) | Unit E (c) | Unit F (d) | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------|
| Identification | 80TH STREET, PUMP #2 | 80TH STREET, PUMP #3 | AIRPORT, PUMP #1 | 14 |
| Location | 4920 80TH STREET | 4920 80TH STREET | 5198 88TH AVENUE | 15 |
| Purpose | B | B | B | 16 |
| Destination | D | D | D | 17 |
| Pump Manufacturer | WORTHINGTON | WORTHINGTON | PACO PUMP CO | 18 |
| Year Installed | 1987 | 1988 | 1988 | 19 |
| Type | CENTRIFUGAL | CENTRIFUGAL | CENTRIFUGAL | 20 |
| Actual Capacity (gpm) | 1,800 | 3,500 | 250 | 21 |
| Pump Motor or Standby Engine Mfr | U.S. MOTOR | CENTURY | U.S. MOTOR | 22 |
| Year Installed | 1987 | 1988 | 1988 | 23 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 24 |
| Horsepower | 100 | 200 | 20 | 25 |

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------|
| Identification | AIRPORT, PUMP #2 | AIRPORT, PUMP #3 | GIN MILL, PUMP #1 | 1 |
| Location | 5198 88TH AVENUE | 5198 88TH AVENUE | 8798 75TH STREET | 2 |
| Purpose | B | B | B | 3 |
| Destination | D | D | D | 4 |
| Pump Manufacturer | PACO PUMP CO | PACO PUMP CO | PACO PUMP CO | 5 |
| Year Installed | 1988 | 1988 | 1988 | 6 |
| Type | CENTRIFUGAL | CENTRIFUGAL | CENTRIFUGAL | 7 |
| Actual Capacity (gpm) | 500 | 1,500 | 250 | 8 |
| Pump Motor or Standby Engine Mfr | U.S. MOTOR | U.S. MOTOR | U.S. MOTOR | 9 |
| Year Installed | 1988 | 1988 | 1988 | 10 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 11 |
| Horsepower | 40 | 100 | 15 | 12 |

| Particulars (a) | Unit D (b) | Unit E (c) | Unit F (d) | |
|-------------------------------------|-----------------------|-----------------------|------------------------|-----------|
| Identification | GIN MILL, PUMP #2 | GIN MILL, PUMP #3 | HIGHLIFT TWP-712 | 14 |
| Location | 8798 75TH STREET | 8798 75TH STREET | 1998 PROD PUMP BLDG | 15 |
| Purpose | B | B | P | 16 |
| Destination | D | D | D | 17 |
| Pump Manufacturer | PACO PUMP CO | PACO PUMP CO | INGERSOLL-DRESSER | 18 |
| Year Installed | 1988 | 1988 | 1998 | 19 |
| Type | CENTRIFUGAL | CENTRIFUGAL | VERTICAL TURBINE | 20 |
| Actual Capacity (gpm) | 500 | 1,500 | 5,500 | 21 |
| Pump Motor or Standby Engine Mfr | U.S. MOTOR | U.S. MOTOR | U.S. ELECTRICAL MOTORS | 22 |
| Year Installed | 1988 | 1988 | 1998 | 23 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 24 |
| Horsepower | 25 | 75 | 400 | 25 |

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) | |
|-------------------------------------|------------------------|------------------------|------------------------|-----------|
| Identification | HIGHLIFT TWP-713 | HIGHLIFT TWP-722 | HIGHLIFT TWP-723 | 1 |
| Location | 1998 PROD PUMP BLDG | 1998 PROD PUMP BLDG | 1998 PROD PUMP BLDG | 2 |
| Purpose | P | P | P | 3 |
| Destination | D | D | D | 4 |
| Pump Manufacturer | INGERSOLL-DRESSER | INGERSOLL-DRESSER | INGERSOLL-DRESSER | 5 |
| Year Installed | 1998 | 1998 | 1998 | 6 |
| Type | VERTICAL TURBINE | VERTICAL TURBINE | VERTICAL TURBINE | 7 |
| Actual Capacity (gpm) | 5,500 | 5,500 | 5,500 | 8 |
| Pump Motor or Standby Engine Mfr | U.S. ELECTRICAL MOTORS | U.S. ELECTRICAL MOTORS | U.S. ELECTRICAL MOTORS | 9 |
| Year Installed | 1998 | 1998 | 1998 | 10 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 11 |
| Horsepower | 400 | 400 | 400 | 12 |

| Particulars (a) | Unit D (b) | Unit E (c) | Unit F (d) | |
|-------------------------------------|------------------------|------------------------|------------------------|-----------|
| Identification | HIGHLIFT VFD-711 | HIGHLIFT VFD-721 | LOWLIFT VFD-112 | 13 |
| Location | 1998 PROD PUMP BLDG | 1998 PROD PUMP BLDG | RAW WATER PUMP STN. | 14 |
| Purpose | P | P | P | 15 |
| Destination | D | D | T | 16 |
| Pump Manufacturer | INGERSOLL-DRESSER | INGERSOLL-DRESSER | INGERSOLL-DRESSER | 17 |
| Year Installed | 1998 | 1998 | 1998 | 18 |
| Type | VERTICAL TURBINE | VERTICAL TURBINE | VERTICAL TURBINE | 19 |
| Actual Capacity (gpm) | 5,500 | 5,500 | 7,000 | 20 |
| Pump Motor or Standby Engine Mfr | U.S. ELECTRICAL MOTORS | U.S. ELECTRICAL MOTORS | U.S. ELECTRICAL MOTORS | 21 |
| Year Installed | 1998 | 1998 | 1998 | 22 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 23 |
| Horsepower | 400 | 400 | 300 | 24 |

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) | |
|-------------------------------------|------------------------|------------------------|------------------------|-----------|
| Identification | LOWLIFT VFD-113 | LOWLIFT VFD-121 | LOWLIFT VFD-131 | 1 |
| Location | RAW WATER PUMP STN | RAW WATER PUMP STN. | RAW WATER PUMP STN. | 2 |
| Purpose | P | P | P | 3 |
| Destination | T | T | T | 4 |
| Pump Manufacturer | INGERSOLL-DRESSER | INGERSOLL-DRESSER | INGERSOLL-DRESSER | 5 |
| Year Installed | 1998 | 1998 | 1998 | 6 |
| Type | VERTICAL TURBINE | VERTICAL TURBINE | VERTICAL TURBINE | 7 |
| Actual Capacity (gpm) | 7,000 | 7,000 | 6,750 | 8 |
| Pump Motor or Standby Engine Mfr | U.S. ELECTRICAL MOTORS | U.S. ELECTRICAL MOTORS | U.S. ELECTRICAL MOTORS | 9 |
| Year Installed | 1998 | 1998 | 1998 | 10 |
| Type | ELECTRIC | ELECTRIC | ELECTRIC | 11 |
| Horsepower | 300 | 300 | 100 | 12 |

| Particulars (a) | Unit D (b) | Unit E (c) | Unit F (d) | |
|-------------------------------------|------------------------|-----------------------|-----------------------|-----------|
| Identification | LOWLIFT VFD-132 | | | 14 |
| Location | RAW WATER PUMP STN. | | | 15 |
| Purpose | P | | | 16 |
| Destination | T | | | 17 |
| Pump Manufacturer | INGERSOLL-DRESSER | | | 18 |
| Year Installed | 1998 | | | 19 |
| Type | VERTICAL TURBINE | | | 20 |
| Actual Capacity (gpm) | 6,750 | | | 21 |
| Pump Motor or Standby Engine Mfr | U.S. ELECTRICAL MOTORS | | | 22 |
| Year Installed | 1998 | | | 23 |
| Type | ELECTRIC | | | 24 |
| Horsepower | 100 | | | 25 |

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) | |
|--------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------|
| Identification number or name | 104TH AVENUE | 30TH AVENUE | 60TH STREET EAST | 1 |
| RESERVOIRS, STANDPIPES OR ELEVATED TANKS | | | | 2 |
| | | | | 3 |
| Type: R (reservoir), S (standpipe) or ET (elevated tank) | ET | R | R | 4 |
| | | | | 5 |
| Year constructed | 1958 | 1969 | 1991 | 6 |
| | | | | 7 |
| Primary material (earthen, steel, concrete, other) | STEEL | STEEL | STEEL | 8 |
| | | | | 9 |
| Elevation difference in feet (See Headnote 3.) | 189 | 98 | 163 | 10 |
| | | | | 11 |
| Total capacity in gallons | 150,000 | 4,300,000 | 3,800,000 | 12 |
| WATER TREATMENT PLANT | | | | 13 |
| Disinfection, type of equipment (gas, liquid, powder, other) | | | | 14 |
| | | | | 15 |
| Points of application (wellhouse, central facilities, booster station, other) | | | | 16 |
| | | | | 17 |
| Filters, type (gravity, pressure, other, none) | | | | 18 |
| | | | | 19 |
| Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.) | | | | 20 |
| | | | | 21 |
| | | | | 22 |
| Is a corrosion control chemical used (yes, no)? | | | | 23 |
| | | | | 24 |
| Is water fluoridated (yes, no)? | | | | 25 |

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) | |
|--------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------|
| Identification number or name | 60TH STREET WEST | 75TH STREET | 80TH STREET | 1 |
| RESERVOIRS, STANDPIPES OR ELEVATED TANKS | | | | 2 |
| | | | | 3 |
| Type: R (reservoir), S (standpipe) or ET (elevated tank) | R | ET | R | 4 |
| | | | | 5 |
| Year constructed | 1934 | 1978 | 1962 | 6 |
| | | | | 7 |
| Primary material (earthen, steel, concrete, other) | STEEL | STEEL | STEEL | 8 |
| | | | | 9 |
| Elevation difference in feet (See Headnote 3.) | 163 | 224 | 129 | 10 |
| Total capacity in gallons | 2,700,000 | 750,000 | 4,000,000 | 11 |
| WATER TREATMENT PLANT | | | | 12 |
| Disinfection, type of equipment (gas, liquid, powder, other) | | | | 13 |
| | | | | 14 |
| Points of application (wellhouse, central facilities, booster station, other) | | | | 15 |
| | | | | 16 |
| | | | | 17 |
| Filters, type (gravity, pressure, other, none) | | | | 18 |
| | | | | 19 |
| Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.) | | | | 20 |
| | | | | 21 |
| | | | | 22 |
| Is a corrosion control chemical used (yes, no)? | | | | 23 |
| | | | | 24 |
| Is water fluoridated (yes, no)? | | | | 25 |

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) |
|--------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Identification number or name | INDUSTRIAL PARK | WASHWATER | 1 |
| RESERVOIRS, STANDPIPES OR ELEVATED TANKS | | | 2 |
| | | | 3 |
| Type: R (reservoir), S (standpipe) or ET (elevated tank) | ET | ET | 4 |
| | | | 5 |
| Year constructed | 1983 | 1963 | 6 |
| | | | 7 |
| Primary material (earthen, steel, concrete, other) | STEEL | STEEL | 8 |
| | | | 9 |
| Elevation difference in feet (See Headnote 3.) | 224 | 80 | 10 |
| Total capacity in gallons | 750,000 | 250,000 | 11 |
| WATER TREATMENT PLANT | | | 12 |
| Disinfection, type of equipment (gas, liquid, powder, other) | GAS | GAS | 13 |
| | | | 14 |
| Points of application (wellhouse, central facilities, booster station, other) | CENTRAL FACILITIES | CENTRAL FACILITIES | 15 |
| | | | 16 |
| | | | 17 |
| Filters, type (gravity, pressure, other, none) | GRAVITY | PRESSURE | 18 |
| | | | 19 |
| Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.) | 20.0000 | 18.0000 | 20 |
| | | | 21 |
| | | | 22 |
| Is a corrosion control chemical used (yes, no)? | Y | Y | 23 |
| | | | 24 |
| Is water fluoridated (yes, no)? | Y | Y | 25 |

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

| Number of Feet | | | | | | | | |
|----------------------------------|----------------------|---------------------------|----------------------|--------------------------|----------------------------|-------------------------------------------|--------------------|----|
| Pipe Material (a) | Main Function (b) | Diameter in Inches (c) | First of Year (d) | Added During Year (e) | Retired During Year (f) | Adjustments Increase or (Decrease) (g) | End of Year (h) | |
| M | T | 1.000 | 70 | 0 | 0 | 0 | 70 | 1 |
| M | T | 1.500 | 272 | 0 | 0 | 0 | 272 | 2 |
| M | T | 2.000 | 2,387 | 0 | 0 | 0 | 2,387 | 3 |
| P | T | 2.000 | 164 | 0 | 0 | 0 | 164 | 4 |
| M | T | 3.000 | 150 | 0 | 0 | 0 | 150 | 5 |
| M | T | 4.000 | 31,309 | 0 | 0 | 0 | 31,309 | 6 |
| P | T | 4.000 | 10 | 0 | 0 | 0 | 10 | 7 |
| M | T | 6.000 | 760,100 | 240 | 1,142 | 0 | 759,198 | 8 |
| P | T | 6.000 | 5,863 | 0 | 0 | 0 | 5,863 | 9 |
| M | T | 8.000 | 350,774 | 2,150 | 754 | 0 | 352,170 | 10 |
| P | T | 8.000 | 19,806 | 792 | 0 | 0 | 20,598 | 11 |
| M | T | 10.000 | 13,616 | 0 | 0 | 0 | 13,616 | 12 |
| M | T | 12.000 | 210,467 | 0 | 720 | 0 | 209,747 | 13 |
| P | T | 12.000 | 17,207 | 0 | 0 | 0 | 17,207 | 14 |
| M | T | 14.000 | 8,311 | 0 | 0 | 0 | 8,311 | 15 |
| M | T | 16.000 | 168,219 | 0 | 0 | 0 | 168,219 | 16 |
| P | T | 16.000 | 6,564 | 0 | 0 | 0 | 6,564 | 17 |
| M | T | 18.000 | 2,576 | 0 | 0 | 0 | 2,576 | 18 |
| M | T | 20.000 | 3,701 | 0 | 0 | 0 | 3,701 | 19 |
| A | T | 24.000 | 7,892 | 0 | 0 | 0 | 7,892 | 20 |
| M | T | 24.000 | 53,889 | 268 | 0 | 0 | 54,157 | 21 |
| P | T | 24.000 | 4,636 | 0 | 0 | 0 | 4,636 | 22 |
| M | T | 30.000 | 2,455 | 683 | 160 | 0 | 2,978 | 23 |
| M | S | 36.000 | 0 | 0 | 0 | 0 | 0 | 24 |
| M | T | 36.000 | 9,702 | 0 | 0 | 0 | 9,702 | 25 |
| Total Within Municipality | | | 1,680,140 | 4,133 | 2,776 | 0 | 1,681,497 | |
| Total Utility | | | 1,680,140 | 4,133 | 2,776 | 0 | 1,681,497 | |

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

| Pipe Material (a) | Diameter in Inches (b) | First of Year (c) | Added During Year (d) | Removed or Permanently Disconnected During Year (e) | Adjustments Increase or (Decrease) (f) | End of Year (g) | Utility Owned Services Not In Use at End of Year (h) | |
|----------------------|---------------------------|----------------------|--------------------------|--------------------------------------------------------|-------------------------------------------|--------------------|---------------------------------------------------------|----|
| L | 0.625 | 9,101 | 0 | 1 | 0 | 9,100 | | 1 |
| M | 0.750 | 10,392 | 0 | 2 | 0 | 10,390 | | 2 |
| L | 0.750 | 121 | 0 | 1 | 0 | 120 | | 3 |
| L | 1.000 | 163 | 0 | 2 | 0 | 161 | | 4 |
| M | 1.000 | 5,278 | 84 | 0 | (1) | 5,361 | | 5 |
| M | 1.500 | 589 | 10 | 2 | 1 | 598 | | 6 |
| L | 1.500 | 71 | 0 | 1 | 0 | 70 | | 7 |
| L | 2.000 | 51 | 0 | 0 | 0 | 51 | | 8 |
| M | 2.000 | 489 | 7 | 0 | 0 | 496 | | 9 |
| M | 3.000 | 95 | 0 | 0 | 0 | 95 | | 10 |
| M | 4.000 | 153 | 1 | 0 | 0 | 154 | | 11 |
| M | 6.000 | 181 | 9 | 0 | 0 | 190 | | 12 |
| M | 8.000 | 97 | 3 | 0 | 0 | 100 | | 13 |
| M | 10.000 | 5 | 0 | 0 | 0 | 5 | | 14 |
| M | 12.000 | 13 | 0 | 0 | 0 | 13 | | 15 |
| M | 16.000 | 1 | 0 | 0 | 0 | 1 | | 16 |
| Total Utility | | 26,800 | 114 | 9 | 0 | 26,905 | 0 | |

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

| Size of Meter (a) | First of Year (b) | Added During Year (c) | Retired During Year (d) | Adjustments Increase or (Decrease) (e) | End of Year (f) | Tested During Year (g) | |
|-------------------|-------------------|-----------------------|-------------------------|----------------------------------------|-----------------|------------------------|-----------|
| 0.625 | 24,157 | 2,368 | 1,705 | (100) | 24,720 | 3,755 | 1 |
| 0.750 | 1,649 | 126 | 106 | 0 | 1,669 | 207 | 2 |
| 1.000 | 717 | 50 | 19 | (18) | 730 | 79 | 3 |
| 1.500 | 502 | 40 | 47 | (39) | 456 | 113 | 4 |
| 2.000 | 527 | 53 | 25 | 5 | 560 | 128 | 5 |
| 3.000 | 87 | 2 | 0 | 3 | 92 | 6 | 6 |
| 4.000 | 59 | 0 | 0 | (2) | 57 | 3 | 7 |
| 6.000 | 56 | 0 | 0 | (2) | 54 | 20 | 8 |
| 8.000 | 5 | 1 | 0 | 1 | 7 | 3 | 9 |
| 10.000 | 1 | 0 | 0 | 0 | 1 | 0 | 10 |
| Total: | 27,760 | 2,640 | 1,902 | (152) | 28,346 | 4,314 | |

Classification of All Meters at End of Year by Customers

| Size of Meter (h) | Residential (i) | Commercial (j) | Industrial (k) | Public Authority (l) | Wholesale, Inter-Department or Utility Use (m) | In Stock and Deduct Meters (n) | Total (o) | |
|-------------------|-----------------|----------------|----------------|----------------------|------------------------------------------------|--------------------------------|---------------|-----------|
| 0.625 | 23,195 | 975 | 3 | 22 | 0 | 525 | 24,720 | 1 |
| 0.750 | 1,003 | 539 | 8 | 14 | 0 | 105 | 1,669 | 2 |
| 1.000 | 174 | 465 | 12 | 23 | 0 | 56 | 730 | 3 |
| 1.500 | 17 | 376 | 16 | 25 | 0 | 22 | 456 | 4 |
| 2.000 | 8 | 405 | 20 | 47 | 2 | 78 | 560 | 5 |
| 3.000 | 0 | 55 | 7 | 18 | 0 | 12 | 92 | 6 |
| 4.000 | 0 | 17 | 9 | 23 | 1 | 7 | 57 | 7 |
| 6.000 | 0 | 11 | 8 | 6 | 12 | 17 | 54 | 8 |
| 8.000 | 0 | 0 | 1 | 1 | 3 | 2 | 7 | 9 |
| 10.000 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 10 |
| Total: | 24,397 | 2,843 | 85 | 179 | 18 | 824 | 28,346 | |

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

| Hydrant Type (a) | Number In Service First of Year (b) | Added During Year (c) | Removed During Year (d) | Adjustments Increase or (Decrease) (e) | Number In Service End of Year (f) | |
|--------------------------------|----------------------------------------------|--------------------------------|----------------------------------|-------------------------------------------------|--------------------------------------------|---|
| Fire Hydrants | | | | | | |
| Outside of Municipality | 0 | | | | 0 | 1 |
| Within Municipality | 2,838 | 28 | 22 | | 2,844 | 2 |
| Total Fire Hydrants | 2,838 | 28 | 22 | 0 | 2,844 | |
| Flushing Hydrants | | | | | | |
| | 0 | | | | 0 | 3 |
| Total Flushing Hydrants | 0 | 0 | 0 | 0 | 0 | |

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year: 1,602

Number of distribution system valves end of year: 4,976

Number of distribution valves operated during year: 632

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Acct 624 - Pumping labor and expenses increased \$11,362 or 16%. Additional labor was incurred due to the completion of the production plant upgrade. Engineering and administrative time previously capitalized during construction was expensed in 1999. Also overtime was incurred due to equipment shakedowns, clean up after construction and open house/dedication activities.

Acct 641 - Chemical expenses decreased 35% or \$35,800 due to use of the membrane filtration process as opposed to the sand filters which require more chemicals.

Acct 652 - Maintenance of treatment equipment expenses increased \$165,221 or 25%, due to warranty expense on the membrane filters of \$100,500. The effective date of acceptance and beginning of the warranty period was 4/1/99. Also additional CIP (clean in place) chemicals associated with the membranes were purchased for \$47,114. Additional labor was also recorded for the same reasons as stated for account 624.

Acct 663 - Meter expenses decreased \$26,253 or 27% due to increased emphasis on meter testing which resulted in more new meter installations, thus more labor being capitalized. Also in 1998 there was worker's comp wages of \$13,893 charged to this account where as in 1999 there was only \$3,048.

Acct 672 - Maintenance of reservoirs & standpipes expense decreased \$245,816 or 87% due to less tank painting and cleaning being done in 1999 vs 1998.

Acct 676 - Meter maintenance increased \$17,344 or 110% due to increased labor charged to this account which was related to meter testing. During 1998 the employee doing this work was on worker's comp most of the year. Labor increased by \$15,676 and meter repair parts by \$2,067.

Acct 921 - Office supplies and expenses increased \$13,242 or 70% in this account. These expenses were largely related to publication and mailing of the newly required consumer confidence report. This required \$6,300 in postage and \$3,849 in printing expense.

Acct 923 - Outside services employed expense increased \$42,952 or 48% due to legal expenses associated with agreements with other municipal entities, \$12,173, and engineering services in connection with these agreements, \$11,248. In 1999 a contribution was made to AWWA research while none was made in 1998.

Acct 924 - Property insurance expenses increased \$11,633 or 34% due to increased insurance premium on the production plant upgrade of \$9,451.

Acct 925 - Injuries and damages expense decreased \$44,843 or 58%. In 1998 this account had \$49,397 in worker's comp expense compared to \$10,412 in 1999. Insurance claims expense also decreased by \$6,459.

Acct 926 - Employee pensions and benefits expense decreased \$15,644 or 4% due to decreased health insurance premiums.

Acct 928 - Regulatory commission expenses for 1999 were zero. Expenses in

WATER OPERATING SECTION FOOTNOTES

1998 were associated with the rate case.

Acct 930 - Miscellaneous Expenses decreased \$13,760 or 34% due to decreased membership dues and conference expenses.

Water Utility Plant in Service (Page W-08)

Additions:

311 - Additions to water filtration plant PSC authorization 2820-CW-105.
316 - Additions to water filtration plant PSC authorization 2820-CW-105.
321 - Additions to water filtration plant PSC authorization 2820-CW-105.
323 - Convert (2) emergency generators, \$62,344; additions to water filtration plant PSC authorization 2820-CW-105, \$39,673.
325 - Booster station pump motor modifications, \$29,343; additions to water filtration plant PSC authorization 2820-CW-105, \$3,024,005.
331 - Repave road after construction project, \$64,106; elevator modification, \$1,645; additions to water filtration plant PSC authorization 2820-CW-105, \$6,496,686.
332 - Chlorine cylinder emergency shut-off system, \$20,552; additions to water filtration plant PSC authorization 2820-CW-105, \$11,646,377.
342 - Move electrical service underground, 30th Ave. tank, \$6,109; altitude valves at 104th Ave. & 75th St. elevated tanks, \$14,136; additions to after filtration plant PSC authorization 2820-CW-105, \$1,848,044.
397.1 - Additions to water filtration plant PSC authorization 2820-CW-105.

Retirements:

321 - Retirements due to abandonment of west water filtration plant.
325 - Retirements due to abandonment of west water filtration plant.
397.1 - Retirements due to abandonment of west water filtration plant and installation of new SCADA at remote sites in conjunction with construction of new water filtration plant PSC authorization 2820-CW-105.

Adjustments:

391.1 - Transfer of equipment to Engineering Services unit.
392 - Transfer 1993 Chevy van from Engineering Services unit to Meter Operations.

Accumulated Provision for Depreciation - Water (Page W-10)

Acct 328 - Other Pumping Equipment has a negative balance due to a large asset retirement of \$304,325 in 1998 as part of the water filtration plant upgrade. These assets were determined to be fully depreciated so that when the same amount was debited to the accumulated depreciation account for the asset class, a debit balance resulted. The PSC has addressed this matter in new depreciation rates authorized on 8/7/98. Additional depreciation of \$12,000 per year has been authorized for asset class 328 for a five year period beginning 1/1/99.

WATER OPERATING SECTION FOOTNOTES

Pumping & Power Equipment (Page W-15)

Kenosha Water Utility has two backup Morley-Murphy generators, installed in 1991, diesel powered with 1490 horsepower, which can be used as standby power for the entire plant. This was converted from 4160 volts to 480 volts and relocated to the new facility.

In the 1998 Production Plant upgrade five new lowlift pumps were installed. Pump VFD 112, VFD 113 and VFD 121 are 300 horsepower and are used for pumping raw water to the micromembrane filtration units. Pumps VFD 131 and VFD 132 pump raw water to the sand filter plant.

The section on pumps lists 9 less pumps than the 1998 report as these pumps were retired in 1998 when the new pump station came on line.

Reservoirs, Standpipes & Water Treatment (Page W-16)

Copy 3, Unit A - Water Treatment Plant is a rapid sand filtration plant.

Copy 3, Unit B - Water Treatment Plant is a micromembrane filtration plant. The summer capacity is 20 mgd while winter capacity is 10 mgd, due to the change in the viscosity because of the water temperature.

Water Mains (Page W-17)

When main donated by developers is added to Utility records it is inspected before it is formally accepted by the Board of Water Commissioners. It is added to our book at the installation cost incurred by the developer plus any costs incurred by the Utility. These types of installations generally have no assessments levied.

Water main installations by the Utility are assessed to benefiting property owners. Assessments are made and notice given as required by Wisconsin State Statute 66.60. Rates are set by the Board of Water Commissioners. Rates are also on file with the Wisconsin Public Service Commission. Assessments are based on the front footage of the property. A side lot exemption of 150 feet is allowed for corner lots.

Assessments are deferred on land zoned agricultural and land not currently within the assessment authority of the Utility, i.e. land outside the city limits. The customer is given all legal notices regarding the installation. After installation the customer has 30 days to pay interest free. If unpaid, interest accrues at 7.5% annually. In November of each year unpaid assessments are placed on the tax roll as special assessments for collection.

WATER OPERATING SECTION FOOTNOTES

Water Services (Page W-18)

Fees collected for services are governed by Rate Tariff CZ-1. Fees are paid when installation is requested by the customer or after installation of a water main. Billing is done via the assessment system. In 1999, 86 services were added by customer request and through assessments with \$52,036 collected. Due to the advent of developers agreements, the Utility processes very few assessments for connections. In the assessment process the customer is given all legal notices regarding the installation. After installation the customer has 30 days to pay interest free. If unpaid, interest accrues at 7.5% annually. In November of each year unpaid assessments are placed on the tax roll as special assessments for collection.

If a connection is installed by a developer, the connections are added to the Utility's asset records at the installation cost as identified by the developer plus any engineering or inspection costs incurred by KWU. If this is not available, they are added at the Utility's average cost for that size of connection. The following connections were added under developer agreements in 1999:

| | | |
|----------------------------|----|----------------|
| White Caps 5A Subdivision | 27 | 1" connections |
| Tinseltown/Southport Plaza | 1 | 6" connection |

Meters (Page W-19)

At the end of each year the Utility counts the meters physically in the stock room, meter shop, and meter repair vehicles. This is our in stock inventory. The 50 hydrant meters are not included. The customer accounts on the water file billing system are counted also. The sum of these two is our meter count at year end. We know for certain the purchases for the year, therefore the amount in the adjustments column must be meters retired but not recorded or a miscount of the year end inventory. At this point in time there is nothing that can be done to resolve the adjustments. However in year 2000 we will review our retirement procedures to make sure we are capturing all data. In schedule W-19 irrigation customers (2) are added to the wholesale column.

Hydrants and Distribution System Valves (Page W-20)

The Utility plans to exercise 50% of the hydrants and valves each year. The number of valves and hydrants operated during the year were less than anticipated for several reasons. The number of man hours available for this is related inversely to increased demands on emergency and time important repairs such as sanitary sewer repairs. Also employee vacancies created less overall available man hours.
